

THE DIOCESE OF VIRGINIA

2016 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, and investment income from operating cash management.

C. VIRGINIA EPISCOPALIAN INCOME: SUBSCRIPTIONS/ADVERTISEMENTS

In 1966, Annual Council established a policy for each communicant household to receive the Virginia Episcopalian, and called on congregations to contribute \$3.75 per household to help defray publication costs. The Executive Board raised the asking just twice since then and the current rate is \$5.00 per household and \$6.00 per year for non-diocesan subscriptions. Advertisement income is also captured in this line.

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

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 used to support the mountain missions and income from the Episcopal Fund is used to support our bishops, as examples.

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 2009 General Convention, asked the Diocese of Virginia for a 2011 pledge of 20% of total diocesan income after a \$120,000 exemption. The formula's percentage was lowered to 19% for 2012-2015 and is currently 18%. 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 2014 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
- 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 2015 budget request includes support for an Episcopal presence at James Madison University, the University of Mary Washington, the University of Virginia, Northern Virginia Community College 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. 2015 programs include 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, development of a diocesan youth mission trip, support for Grace on the Hill's intentional community, as well as training the youth leaders. For 2015, there are plans for a quarterly newsletter and/or web-based resources.

3. **Clergy & Diocesan Conferences.** This line provides a subsidy for the programs at the Bishop's Spring Conference, Fall 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
- b. **Staff Travel.** This category supports diocesan travel, mileage reimbursements, conference registration fees, airfare, hotels, meals and
- c. **Committee on Church Planting.** The mission of this committee is to inform and mobilize the Diocese in the planting of new churches. Currently, this committee is inactive.
- d. **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 2016.
- e. **CCM - Aid for Mountain Missions.** This line is partially supported with income from the Reid Trust. Provides funding for clergy and operating expenses at missions which historically were part of the Archdeaconry of the Blue Ridge.
- f. **CCM - Other items.** Among other items this includes the interest on the loan for Santa Maria, assistance to mission churches encountering unexpected expenses, provides funding for Apostolado Latino.

- g. **Committee on Stewardship.** Works to strengthen our congregations by providing access to resources, training, and workshops to share information on annual giving campaigns, planned giving and capital campaigns. For 2016, the committee will also focus on resources and workshops for narrative budgets, generational giving, and stewardship as pastoral care. Currently 15 workshops are scheduled across the diocese for 2016 with additional workshops under consideration. This line supports scholarships and materials for the diocesan stewardship mentoring program. It also covers an annual membership to GrantStation database, 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.
- h. **Committee on Liturgy and Church Music.** The committee plans and executes diocesan liturgies (Annual Council, ordinations. In addition they co-sponsor a workshop with the Leadership Program for Musicians. They believe their vocation is to strengthen congregations which leads naturally to evangelism and outreach.
- i. **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 2016 budget includes this need-based aid for minority students at Episcopal seminaries and in supporting minority lay professionals expand 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.

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

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

c. **Committee on Mission & Outreach.** Sponsors gatherings to learn and exchange ideas to better inform churches and individuals of mission & outreach opportunities in the diocese. To raise awareness and funding for the Gray World Mission Fund which provides grants for mission trips to individuals and groups. This group also coordinates visits from international partners and provides support for those visits. The budget for 2016 will help fund expenses that were previously funded by designated gifts for that purpose.

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. **Micro-Economic Development Grants.** The Budget Committee of the Executive Board hopes to respond to domestic and foreign micro-economic initiatives when these funds are available. The Budget Committee hopes to maintain these funds for the consideration of the Executive Board, in conjunction with the DFHN and DFWM, at a level consistent with the general Church resolution guidelines of 0.7% of unrestricted income being related to Millennium Development Goals (MDGs).

2. Ecumenical Partnerships.

i. **GraceInside.** Formerly Chaplain Service Prison Ministry, they work to provide chaplains for the 30,000 men & women who are incarcerated in the Commonwealth and to restore chaplaincy to the state's juvenile correctional centers. Since 1920, Chaplain Service has 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. In 2015, the Center will advocate for: 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.

3. **Office of Mission & Outreach Support.** This line is new and is designed to support the work being done in the office of M&O which has previously been funded by donor gifts. This funding will allow us to continue support for Grace On The Hill, an intentional community, as well as participate in local outreach and assist with international travel grants for others.

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, support and assist in the formation of strong leadership from priests, deacons and lay persons, that the Commission best fulfills the diocesan mission to "worship our Lord and serve the world in unity and diversity."

- 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.** Provides facilitators for webinars and training on leadership formation.
- f. **Committee on Ministry in Daily Life.** In 2010, this component of the Commission on Ministry completed much of their work and, for 2015, this item remains a placeholder for envisioned expansion of the Commission on Ministry.
- g. **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. Provide orientation not only to deacons from other dioceses but also to clergy in this diocese who will be assigned deacons. The Deacons' School and its first cohort enter the second year of the two-year program with support and participation from the Diocese of Southern Virginia .
- h. **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 is the assistance of churches and individuals with application and screening processes for priesthood, ongoing support of persons in the ordination process and providing advice to the Bishop and to the diocese.
- i. **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. For summer 2015, the hope is to place 5 interns working full time for 8 weeks.
- j. **Diocesan Board of Examining Chaplains.** Review and evaluate the General Ordination Examinations (GOEs) for persons seeking priesthood. Recommendation for, and oversight of, remedial work on GOEs is handled by this Board. Administer and review canonical exams for those who won't take GOEs, typically those ordained in other traditions and others in special situations.

- k. **Committee on Continuing Clergy Formation.** Oversight of the work of this committee in developing and administrating the Fresh Start program for newly ordained clergy and clergy new to the Diocese as well as the New Clergy Orientation.

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. **Committee on Race Relations.** 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. 2015 budget includes training and travel for networking. The 2015 request included funding for travel to General Convention. The committee has since found other funding for this expense.
- c. **Committee on Mental Health.** This committee seeks to equip our churches to support and incorporate mentally ill persons and their families into the local parish, as well as to assist our churches in being welcoming communities of faith to all. This budget allows the committee to continue to build an interactive website (mhcommittee.org)
- d. **Task Force on Parish Nursing.** This group was disbanded in 2014. In the next budget cycle, this line will be removed.
- e. **Committee on the Prevention of Sexual Misconduct.** This commission provides training for the prevention of sexual misconduct and assists the Bishops in responding to individuals and congregations when misconduct or allegations of misconduct occur.
- f. **Committee on Women in Mission and Ministry.** This committee will raise awareness of such issues as human trafficking, maternal health and violence against women.

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
- 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 expansion of teleconferencing has helped reduce expenses and the use of such tools will expand where possible.

- 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, oversight of inactive churches, approval of sale of property belonging to the Bishop, the Trustees of the Diocese or mission church property.

- 5 **Program Development.** This line item has previously provided funds for the development and support of new diocesan programs and initiatives.

- 6 **Province III.** Province III deputies represent the Diocese of Virginia at provincial committee and Synod meetings. Representatives are elected by Annual Council. This line predominantly the provincial assessment and there is a small allocation for travel expenses by our deputies to synod meetings.

- 7 **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. The travel expense for diocesan staff who attend is included in staff travel accounts.

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.** Expenses associated with producing quarterly issues of the newly redesigned "VE", the online e-COMMUNIQUE, and other publications and flyers required by the Office of the Bishop. The subscription asking as shown in Income Line C helps defray the cost of this important ministry.

- 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.

- 5 **Other Communications Expenses.** Provides for the use of freelance writers, photographers and layout designers provides the best possible communications products for the diocese. This line item also allows for communication expenses for materials, equipment and professional dues.

- 6 **Committee on Communications.** Provides individual communications consultation to parishes and diocesan groups in cooperation with diocesan staff.

E Bishops, Staff and Support

- * 2015 recommended minimum compensation increase is +1.04%. Additionally, health insurance premiums have risen by ~6% for 2015. These changes will greatly impact the compensation lines included here.
- * 2015 will see travel by bishops and some staff to General Convention in Salt Lake City. Those travel expenses are reflected here.

1 The Episcopate

- a. **Bishops.** This category funds compensation (salary, housing, social security, pension, health & life insurance) for the bishops. 2011 funded the hiring of a half-time Assistant Bishop and in 2012, a Bishop Suffragan was elected.
- b. **Episcopal Office.** This category covers total compensation for two full-time and one part-time Administrative Assistants.
- 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 sinking fund allowance for the search, election and transition expenses associated with new bishops for the Diocese of Virginia. The costs associated with the 2012 Bishop Suffragan election showed that advance planning is needed for the diocese.

2 Staff

a. **Mayo House Staff.** This category funds the staff costs for diocesan operations, including IT Support Technician, Receptionist, and Mailroom/Maintenance Clerk.

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 Bookkeeper; and two part-time positions: Benefits Administrator and IT Support Technician. The Diocesan Risk Manager, while reporting to this office, is paid through the Church Pension Group.

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.** This line covers 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.

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.

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.

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.

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.

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, service charges for requested website credit card accessibility and miscellaneous expenses of operating Mayo House.