

Resolutions 2018

2018 MICHIGAN ANNUAL CONFERENCE IMPLEMENTATION OF RESOLUTIONS

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R #2 – Authorize CBOPHB to Manage Benefits Claims

It was resolved by the Detroit Annual and West Michigan Conferences:

The Detroit Annual Conference and West Michigan Conference Boards of Pension and Health Benefits move to:

Authorize The Conference Board of Pension and Health Benefits (CBOPHB) to negotiate, compromise, or submit to arbitration any claims for benefits that may arise under the Michigan Conference Health Care Plan, the Michigan Conference Lay Employee Welfare Plan (death and disability), the United Methodist Retirement Plans (Pre-82, Ministerial Pension Plan, Clergy Retirement Security Program, United Methodist Personal Investment Plan), the United Methodist Clergy Welfare Plan (Comprehensive Protection Plan); and for that purpose to retain legal counsel as needed.

All references to the Michigan Conference of The United Methodist Church in this resolution also applies fully to its predecessor conferences, The Detroit Annual Conference of The United Methodist Church and The West Michigan Conference of The United Methodist Church.

R #3 – Housing/Rental Allowance for Retired or Clergy on Medical Leave

It was resolved by the Detroit Annual and West Michigan Conferences:

The Detroit Annual Conference and West Michigan Conference Boards of Pension and Health Benefits move to establish the Housing/Rental Allowance for retired or clergy on medical leave status in the Michigan Conference as follows:

1. An amount equal to 100% of the pension/disability payments received during the year 2019 is hereby designated as a rental/housing allowance for each retired and disabled ordained or licensed minister of The United Methodist Church who is or was a member of the Michigan Conference at the time of his or her retirement or disability;
2. This rental/housing allowance shall apply to each retired and disabled ordained or licensed minister who has been granted the retired relationship or placed on medical leave by the Michigan Conference and whose name and relationship to the conference is recorded in the Journal of the Michigan Conference or in other appropriate records maintained by the conference;
3. The pension/disability payment to which this rental/housing allowance applies shall be the pension/disability payment resulting from all service of such retired and disabled ordained or licensed ministers from all employment by any local church, annual conference or institution of The United Methodist Church, or from any other employer who employed the minister to perform services related to the ministry and who elected to make contributions to the pension and welfare funds of The United Methodist Church for such retired minister's pension or disability benefits;
4. The amount of the housing/rental allowance that may be excluded is limited to the lesser of: a) The amount designated as the housing/rental allowance, or b) The amount actually expended for housing/rent, or c) The fair rental value of housing, if required by law.

5. All references to the Michigan Conference of The United Methodist Church in this resolution also applies fully to its predecessor conferences, The Detroit Annual Conference of The United Methodist Church and The West Michigan Conference of The United Methodist Church.

R #5 – 2019 Past Service Rate

It was resolved by the Detroit Annual and West Michigan Conferences:

The Detroit Annual Conference and West Michigan Conference Boards of Pension and Health Benefits move to:

Establish the 2019 Past Service Rate (PSR) for the Ministers' Reserve Pension Fund (Pre-82) at \$830 in the Michigan Conference(s) prior to 1982. The surviving spouse benefit shall remain at 85 percent.

All references to the Michigan Conference of The United Methodist Church in this resolution also applies fully to its predecessor conferences, The Detroit Annual Conference of The United Methodist Church and The West Michigan Conference of The United Methodist Church.

R #7 – Michigan Conf. Human Resources Policy (#1)

It was resolved by the Detroit Annual and West Michigan Conferences:

We move the adoption of the following resolution, adding the following language to the Michigan Conference Human Resources Policy following the INTRODUCTORY STATEMENT and before the GENERAL EMPLOYMENT EXPECTATIONS:

AMENDMENTS AND CORRECTIONS

The Michigan Conference Human Resources Committee is authorized to amend and/or correct this policy between sessions of Annual Conference if needed to conform with changes in federal, state and local laws, and with Human Resources best practices in accordance with the mission of the Church. All such changes will be approved by the Conference Leadership Council and reported to the next session of the Annual Conference.

R #9 – Policy on Use of Proceeds of Sale & Accumulated Assets of Local Church Properties

It was resolved by the Detroit Annual and West Michigan Conferences

That the following policy shall be the policy of the Michigan Conference beginning January 1, 2019.

Policy on the Use of Proceeds of Sale of Local Church Properties

This policy shall be applied related to ¶2549 of the *2016 Book of Discipline of the United Methodist Church*, and its successors, entitled "Disposition of Proceeds from the Sale of Property of a Closed Local Church":

Whenever property is disposed of by the Michigan Conference Board of Trustees pursuant to ¶ 2549 of the Discipline, the following shall be the policy and procedure for the distribution of any proceeds of sale:

- Any expenses, such as but not limited to, utilities, legal fees, closing costs, necessary improvements, maintenance and upkeep shall be deducted from the proceeds and reimbursed to the Conference Trustees or entity that covered these expenses.
- Any unpaid Ministry Shares and District Apportionments in the year the local church closes shall be paid to the Conference and/or District.
- Any arrearage in payment of Health Care and/or Pension payments shall be reimbursed to the Conference.
- Any identifiable unused grant funds shall be returned to the granting board/agency.

The remaining balance of these proceeds shall be distributed in the following manner:

- Fifty (50) percent of the net proceeds and accumulated assets be distributed to the Michigan Conference Leadership Council, to be used in alignment the Conference vision and mission, with a particular priority and emphasis on new church starts.
- Fifty (50) percent of the net proceeds shall be distributed to the appropriate District and used as determined by the District Leadership Team, or its equivalent, in alignment with the Conference and/or District vision and mission. Paragraph 2549.7 and its applicable connections to ¶212 shall be acknowledged and operative.
 - For net proceeds from the sale of church properties located in the District which contains the City of Detroit, twenty (20) percent of the net proceeds will be distributed to the District Leadership Team, and eighty (80) percent of the net proceeds will be distributed to the United Methodist Union of Greater Detroit.
- An annual report as to how all such funds are utilized shall be made by the above groups to the Conference Board of Trustees and included in the Conference Journal.

R #10 – Add Statement Concerning Clergy Families to the Covenant of Clergy Sexual Ethics Policy

It was resolved by the Detroit Annual and West Michigan Conferences:

WHEREAS at the 2017 combined session of the Detroit and West Michigan Annual Conference, a motion was made to add a statement concerning the harm done to clergy families in matters of clergy misconduct and

WHEREAS this motion was referred to the Michigan Area Healthy Boundaries Task Force to bring back language to address this concern to add to The Covenant of Clergy Sexual Ethics. A policy of The Michigan Annual Conference to the 2018 combined session of the Detroit and West Michigan Annual Conferences.

BE IT RESOLVED THAT the following sentence be added to the preamble section of the Covenant of Clergy Sexual Ethics. A Policy of The Michigan Annual Conference approved at the 2017 combined session of the Detroit and Michigan Annual Conferences. ***(Addition is in bold italic font)***

PREAMBLE

This policy states expected stands of behavior and defines inappropriate sexual conduct by clergy so that we maintain healthy relationships of integrity and safety for the sake of our common ministry to the people of God in the name of Jesus Christ. ***While this policy focuses on a clergy person's professional role, it is understood that any form of clergy sexual misconduct brings great harm to the clergy person's family.*** ***This policy*** also provides guidance so that when incidents of sexual misconduct, sexual abuse, or sexual harassment are alleged, the complainant and the respondent may experience grace, justice, and reconciliation. Grace extends unconditional love while holding us accountable to the consequences of inappropriate behavior.

R #12 – Poor People's Campaign: A National Call for a Moral Revival

It was resolved by the Detroit Annual and West Michigan Conferences

That the Michigan Area Annual Conference declares its prayerful support for The Poor People's Campaign: A National Call for a Moral Revival currently ongoing in our state and others. We point to it as a movement of the gospel, pray for its work, and encourage United Methodists to participate in its witness.

R #13 – Acknowledgement of Sin

It was resolved by the Detroit Annual and West Michigan Conferences

We acknowledge we have sinned in how we have sometimes treated those marginalized, especially people of color, Native Americans, women and LGBTQI people.

R #14 – Call for Unity in Diversity

It was resolved by the Detroit Annual and West Michigan Conferences:

Whereas the called General Conference of 2019 is considering proposals that will affect the ministry of The United Methodist Church for generations; and that The UMC strives to demonstrate the grace to remain united in ministry while acknowledging our differences; and

Whereas, the United Methodists of the West Michigan and Detroit Annual Conferences are seeking to model our unity in the creation of a new Annual Conference and schism within the denomination would be detrimental to our vision,

Be it resolved: that The West Michigan and Detroit Annual Conferences urge the General Conference to affirm unity in our diversity, and challenge in love all that divides and

offer to all people God's saving grace through Jesus Christ that transforms the world. Therefore, we pray that you will resist schism and express openness to diverse perspectives in matters of human sexuality.

R #15 – Prevent Gun Violence

It was resolved by the Detroit Annual and West Michigan Conferences:

“The Michigan Conference of the United Methodist Church calls on the state of Michigan through communication by the Bishop to state representatives and senators to advocate for a state of Michigan ban on private ownership of AR-15s and other semi-automatic rifles that fit the 1994 federal definition of assault weapons and were banned from 1994 to 2004.”

R #16 – Raise the Age in Michigan

It was resolved by the Detroit Annual and West Michigan Conferences

All Michigan Area United Methodists (especially Youth Pastors and Youth Leaders) are strongly encouraged to participate in the state-wide “Raise the Age” campaign. By contacting State Representatives urging them to call the chair of the Law and Justice Committee, and then calling the State Senators, we can advocate passage of Michigan HB 4664, permitting 17-year-olds to be considered as juveniles in criminal court (the same as in 45 other states) and HB 4969, requiring these youths to be held in juvenile facilities while awaiting trial, rather than jail.

R #17 – Breastfeeding Facility at Michigan Annual Conference

It was resolved by the Detroit Annual and West Michigan Conferences:

The Michigan Annual Conference will create an adequate space for nursing and pumping mothers while at Annual Conference to ensure the inclusion of all mothers

We commit ourselves to:

1. Ensuring this space has access to all conference proceedings and is within reasonable walking distance from the floor.
2. Specifically designating this area for nursing and pumping mothers, and provide proper signage and have adequate privacy.
3. Providing comfortable seating, access to electrical outlets from seating, a refrigerator for the safe storage of expressed milk.
4. Make reasonable accommodations as requested by any parents in regards to the feeding of their young children.
5. Seek out 2-3 recently/currently nursing mothers to consult on the adequacy of the designated space.

R #20 – End U.S. Military Support of the Saudi Coalition for the War on Yemen

It was resolved by the Detroit Annual and West Michigan Conferences

The Michigan Conference urges its members to advocate for legislation by the U.S. Senate to end the U.S. military support of the Saudi coalition for war on Yemen. We urge our members to contact Senators Gary Peters (202-224-6221) and Debbie Stabenow (202-224-4822) in order to end U.S. assistance of this military action.

R #21 – Stop a War on North Korea

It was resolved by the Detroit Annual and West Michigan Conferences:

We call upon United Methodists to do "the things that make for peace" (Luke 19: 42) on the Korean Peninsula. We recommend that United Methodists make time each week to prevent a war on North Korea and establish a peace process. We would also encourage our own government to recognize the right of all Korean people to negotiate on behalf of themselves.

We recommend these activities:

1. Study Resolution 6135. Korea: Peace, Justice, and Reunification, The 2016 Book of Resolutions of The United Methodist Church
2. Call Senators Gary Peters 202-224-6221 and Debbie Stabenow 202-224-4822 to ask them to co-sponsor Senator Markey's S. 2016 and Senator Murphy's s. 2047 to stop the President of the United States from starting a war on North Korea without congressional approval.
3. Call your Congressional Representative to ask him or her to co-sponsor Representative Ro Khanna's HR 4140 to stop the President of the United States from starting a war on North Korea without congressional approval.
4. Study the prayers and counsel of Wisconsin Conference UMC Bishop Hee-Soo Jung, September 2017, etc.
5. Study and act on the publications of the General Board of Church and Society, The United Methodist Church

R #22 – You Shall Not Bear False Witness

It was resolved by the Detroit Annual and West Michigan Conferences:

The Michigan Conference encourages its pastors and lay leaders to lead sessions on the importance of not bearing false witness and telling the truth including these activities:

1. Bible study starting with Exodus 20:16 based on The New Interpreters Bible Commentary, Volume I, p. 851-853, or other theologically sound material.
2. A study of our Baptismal Covenant including our promise to "...accept the freedom and power God gives you to resist evil, injustice, and oppression in whatever forms they present themselves."

3. The research of the falsehoods, lies, "white lies," and the public portrayal of reality that is skewed by self-interest, party ideology, or ignorance by U.S. political and government officials.

R #25 – Protecting the Right to Peacefully Address Injustice Through Boycotts, Divestment and Sanctions

It was resolved by the Detroit Annual and West Michigan Conferences:

It is proposed that the Michigan Conference oppose any state or federal legislation that seeks to restrict the right to address injustice through boycotts, divestment and sanctions.

It is proposed that the Conference Secretary or other person on behalf of the Conference write a letter to the President of the United States and to the Governor, the congressional representatives and the members of the legislature of Michigan, informing those elected officials of this resolution and attaching the full text of the resolution. This letter should include the approximate number of congregations and church members within the state of Michigan.

It is proposed that Bishop David Bard continue to urge congregations and church members to take an active role in promoting justice issues with their local, regional and national elected officials. Because of Bishop Bard's leadership, congregations and church members using the facts of this resolution will communicate those facts to their elected officials. They will advocate against anti-BDS legislation appearing anywhere our state or country.

R #26 – Guidelines for Equitable Compensation Support

It was resolved by the Detroit Annual and West Michigan Conferences:

The Commission on Equitable Compensation moves the Conference Guidelines for Equitable Compensation Support for 2019.

Guidelines for Equitable Compensation Support

1. Local congregations shall conduct an annual stewardship campaign. Congregations receiving Equitable Compensation support are expected to participate in ongoing stewardship education and planning through programs such as the Stewardship Academy offered through the United Methodist Foundation of Michigan, the Vital Church Initiative (VCI) or Paragraph 213 Review as provided in paragraph 213 of *The Book of Discipline of The UMC – 2016*.
2. Local congregations receiving Equitable Compensation grants shall annually counsel with the District Superintendent concerning levels of pastoral support.
3. IF REASONABLY POSSIBLE, churches should be grouped in a denominational or ecumenical grouping so as to provide an average attendance of at least 134 under the care of one pastor. The 134 figure is calculated using average giving, salary packages, church expenses, and ministry share totals as submitted. Multi-church charges that become single-point charges will most

often not be eligible for financial assistance from the Commission unless the church seeking assistance has an average attendance of at least 134. The Cabinet shall report to the Annual Conference how many charges fall beneath the minimum standard of 134 in average attendance.

4. Local congregations requesting Equitable Compensation support shall voucher pastor's travel and business expenses according to the guidelines of the Council on Finance and Administration.
5. Local congregations may receive Equitable Compensation support for up to four consecutive years, reducing the original grant amount by 25% each year. Equitable Compensation funds shall not be used to fund more than the Conference minimum salary.
6. Congregations receiving Equitable Compensation shall pay ministry shares in full.
7. Churches receiving or applying for Equitable Compensation that have planned or are planning to enter into building or remodeling projects that require permission of the District Board of Church Location and Building, or which exceed 10% of the total annual budget of the local congregation, shall not proceed with proposed projects and/or related capital campaigns until such time as a plan for ending Equitable Compensation support has been presented and approved by the Commission on Equitable Compensation and the District Superintendent. Exceptions to this guideline shall be given greater consideration when proposed projects are related to building accessibility.
8. Exceptions to these guidelines may be considered upon recommendation of the Bishop and the Cabinet.

Approved by Annual Conference 1984, Revised 1993, 2002, 2007, 2009, 2010, 2011, 2012, 2015, 2016, 2017.

R #27 – Minimum Base Compensation Support for 2019

It was resolved by the Detroit Annual and West Michigan Conferences:

In accordance with paragraph 625.3 of *The Book of Discipline of The UMC – 2016*, the Minimum Base Compensation Schedule reflects the mandatory minimum cash salary which pastors shall be paid on their status and years of service. While not mandatory, local congregations are strongly encouraged to give consideration to paying pastors with more than 10 years of service an additional 2% of the tenth year minimum for each additional year of service they have completed.

In addition, the Commission proposes that churches budget a mandatory minimum of \$1500 for professional expenses and continuing education, exclusive of mileage reimbursements, for each full-time clergy person under appointment. In cases of less than full time appointment, it is recommended that the budgeted amount be prorated in accordance with the appointment (i.e., ½ Time = \$750, etc.)

The minimum budget amount for Professional Expenses is requested in an attempt to balance allocations from church to church, to help guide SPRCs and congregations in adequately equipping clergy to meet the Disciplinary requirements for continuing education, and to adequately maintain a professional library, journal subscriptions, office

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equipment (i.e. software, computers, cell phones, etc.) and other expenses related to the conduct of ministry.

The schedule shows the first 10 years of service mandatory minimums, followed by the recommended minimum for 11-40 years of service based on the recommended increase or decrease approved at Annual Conference. Under no circumstances should a Pastor's salary be reduced if already larger than the recommended minimum salary.

Counting Years of Service To Determine Minimum Compensation

Pastors serving under appointment full or part time will have years of service counted equally for the purpose of moving through the salary schedule. Pastors serving more than six months under appointment in a year will be credited with a full year of service for the purpose of moving through the salary schedule. Pastors serving six months or less under appointment in a year will remain in the year of the salary schedule they are in. When additional full year of service is completed, pastors will move to the next year in the salary schedule. For salary schedule purposes, years of service are carried over equally from one category to another as clergy status changes.

The Commission on Equitable Compensation recommends the following Minimum Base Compensation Schedule be adopted for 2019

2019 MINIMUM BASE COMPENSATION SCHEDULE

YEARS	Local Pastor			Associate Member			Provisional Member			Full Member		
	DAC 2018	WMAC 2018	2019	DAC 2018	WMAC 2018	2019	DAC 2018	WMAC 2018	2019	DAC 2018	WMAC 2018	2019
1	\$35,173	\$35,662	\$36,375	*	*	*	\$39,252	\$39,797	\$40,593	***	***	***
2	\$35,524	\$36,019	\$36,739	*	*	*	\$39,644	\$40,193	\$40,997	***	***	***
3	\$35,879	\$36,376	\$37,104	*	*	*	\$40,040	\$40,591	\$41,403	***	\$42,464	\$43,313
4	\$36,239	\$36,732	\$37,467	*	*	*	\$40,439	\$40,990	\$41,810	\$42,310	\$42,897	\$43,755
5	\$36,600	\$37,090	\$37,832	\$38,232	\$38,764	\$39,539	\$40,804	\$41,387	\$42,215	\$42,731	\$43,327	\$44,194
6	\$36,988	\$37,448	\$38,197	\$38,613	\$39,148	\$39,931	\$41,252	\$41,784	\$42,620	\$43,158	\$43,754	\$44,629
7	\$37,337	\$37,804	\$38,560	\$38,999	\$39,533	\$40,324	\$41,665	\$42,181	\$43,025	\$43,591	\$44,142	\$45,025
8	\$37,710	\$38,161	\$38,924	\$39,389	\$39,923	\$40,721	\$42,083	\$42,580	\$43,432	\$44,026	\$44,613	\$45,505
9	\$38,086	\$38,519	\$39,289	\$39,784	\$40,317	\$41,123	**	\$42,978	\$43,838	\$44,467	\$45,045	\$45,946
10	\$38,468	\$38,875	\$39,653	\$40,181	\$41,630	\$42,463	**	\$43,376	\$44,244	\$44,912	\$45,475	\$46,385
11		\$39,653	\$40,446		\$42,463	\$43,312		\$44,244	\$45,129		\$46,385	\$47,313
12		\$40,431	\$41,240		\$43,296	\$44,162		\$45,112	\$46,014		\$47,295	\$48,241
13		\$41,209	\$42,033		\$44,129	\$45,012		\$45,980	\$46,900		\$48,205	\$49,169
14		\$41,987	\$42,827		\$44,962	\$45,861		\$46,848	\$47,785		\$49,115	\$50,097
15		\$42,765	\$43,620		\$45,795	\$46,711		\$47,716	\$48,670		\$50,025	\$51,026
16		\$43,543	\$44,414		\$46,628	\$47,561		\$48,584	\$49,556		\$50,935	\$51,954
17		\$44,321	\$45,207		\$47,461	\$48,410		\$49,452	\$50,441		\$51,845	\$52,882
18		\$45,099	\$46,001		\$48,294	\$49,260		\$50,320	\$51,326		\$52,755	\$53,810
19		\$45,877	\$46,795		\$49,127	\$50,110		\$51,188	\$52,212		\$53,665	\$54,738
20		\$46,655	\$47,588		\$49,960	\$50,959		\$52,056	\$53,097		\$54,575	\$55,667

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YEARS	Local Pastor			Associate Member			Provisional Member			Full Member		
	DAC 2018	WMAC 2018	2019	DAC 2018	WMAC 2018	2019	DAC 2018	WMAC 2018	2019	DAC 2018	WMAC 2018	2019
21		\$47,433	\$48,382		\$50,793	\$51,809		\$52,924	\$53,982		\$55,485	\$56,595
22		\$48,211	\$49,175		\$51,626	\$52,659		\$53,792	\$54,868		\$56,395	\$57,523
23		\$48,989	\$49,969		\$52,459	\$53,508		\$54,660	\$55,753		\$57,305	\$58,451
24		\$49,767	\$50,762		\$53,292	\$54,358		\$55,528	\$56,639		\$58,215	\$59,379
25		\$50,545	\$51,556		\$54,125	\$55,208		\$56,396	\$57,524		\$59,125	\$60,308
26		\$51,323	\$52,349		\$54,958	\$56,057		\$57,264	\$58,409		\$60,035	\$61,236
27		\$52,101	\$53,143		\$55,791	\$56,907		\$58,132	\$59,295		\$60,945	\$62,164
28		\$52,879	\$53,937		\$56,624	\$57,756		\$59,000	\$60,180		\$61,855	\$63,092
29		\$53,657	\$54,730		\$57,457	\$58,606		\$59,868	\$61,065		\$62,765	\$64,020
30		\$54,435	\$55,524		\$58,290	\$59,456		\$60,736	\$61,951		\$63,675	\$64,949
31		\$55,213	\$56,317		\$59,123	\$60,305		\$61,604	\$62,836		\$64,585	\$65,877
32		\$55,991	\$57,111		\$59,956	\$61,155		\$62,472	\$63,721		\$65,495	\$66,805
33		\$56,769	\$57,904		\$60,789	\$62,005		\$63,340	\$64,607		\$66,405	\$67,733
34		\$57,547	\$58,698		\$61,622	\$62,854		\$64,208	\$65,492		\$67,315	\$68,661
35		\$58,325	\$59,492		\$62,455	\$63,704		\$65,076	\$66,378		\$68,225	\$69,590
36		\$59,103	\$60,285		\$63,288	\$64,554		\$65,944	\$67,263		\$69,135	\$70,518
37		\$59,881	\$61,079		\$64,121	\$65,403		\$66,812	\$68,148		\$70,045	\$71,446
38		\$60,659	\$61,872		\$64,954	\$66,253		\$67,680	\$69,034		\$70,955	\$72,374
39		\$61,437	\$62,666		\$65,787	\$67,103		\$68,548	\$69,919		\$71,865	\$73,302
40		\$62,215	\$63,459		\$66,620	\$67,952		\$69,416	\$70,804		\$72,775	\$74,231

\$200 shall be added to the Minimum for a 2-Point Charge
 \$350 shall be added to the Minimum for a 3-Point Charge

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Plenary

MI CONFERENCE FINANCIAL POLICIES 2018-2019
as Presented by the Council on Finance and Administration

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Note: For other specific rules of a financial nature please check the following:

- Board of Equitable Compensation
- Board of Pension & Health Benefits

CFA PRESIDENT'S REPORT

**WEST MICHIGAN AND DETROIT ANNUAL CONFERENCE
COUNCILS ON FINANCE AND ADMINISTRATION
JOINT PRESIDENTS' REPORT**

In anticipation of the formation of the MI Area UMC Council on Finance and Administration and in a spirit of unity, we have chosen to issue a combined report to be included in both conference journals this year. Our councils have met jointly at each of the last two annual conferences and, during the past year, we have met jointly for all of our regular meetings.

Together we have worked to staff the Treasurer's office as it transitioned to handling the financial needs of both conferences. The Treasurer's office moved to Clark Corners in

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Lansing in December of last year. The expanded staff now includes **David Dobbs**, Conference Treasurer/Director of Administrative Services; **Don Emmert**, Conference Benefits Officer; **Becky Emmert**, Treasury & Benefits Operations Manager; **Jennifer Gertz**, EZRA Specialist and Administrative Assistant to Executive Administrator; **Chad Lundy**, Accountant; **Nancy Wyllys**, Accounts Payable; **Rich Pittenger**, Accounts Receivable; **Michael Mayo-Moyle**, IT Specialist; and **John Kosten**, Benefits Administrator. Our sincere thanks go to each of these individuals for their dedication and invaluable skills during this critical time of transition.

Our CFAs truly appreciate how each congregation worked so faithfully in 2017 to pay their ministry shares or apportionments.

West Michigan Conference received 83.4% of the total Ministry Shares for 2017 and was able to pay our Episcopal Fund commitment to the general UM church in full in the amount of \$254,103.

In West Michigan Conference, 52 churches of every size paid 100% of their Ministry Shares (and it is notable that many other churches paid over 90% of their Ministry Shares.) This represents approximately 13% of the total 390 congregations in West Michigan Conference. Unfortunately, 36 congregations made no payment towards their Ministry Shares in 2017.

Detroit Annual Conference received 78.4% of the total Apportionments for 2017 and was able to pay our Episcopal Fund commitment to the general UM church in full in the amount of \$331,615.

In Detroit Annual Conference, 256 churches of every size paid 100% of their Apportionments. This represents approximately 63% of the total 408 congregations in Detroit Annual Conference. Unfortunately, 35 congregations made no payment towards their Common Budget Apportionments in 2017.

Special thanks go to each member of our CFAs who gives of their time and talents to help in our mission to assist in whatever way we can to make disciples of Jesus Christ for the transformation of the world.

Susan Cobb

West Michigan United Methodist Conference President of the Council on Finance and Administration

Marj Goralski

Detroit Annual United Methodist Conference President of the Council on Finance and Administration

STEWARDSHIP RECOMMENDATION

The members of the Annual Conference strongly urge each local church to conduct an every-member commitment program as outlined by Discipleship Ministries or some other effective means of involving the congregation in the needs and program of the church. (Resources are also available through Discipleship Ministries of the United Methodist Church.)

MINISTRY SHARES CALCULATION

Ministry Shares represent the connectional commitment of the United Methodist Church. All United Methodist churches share in support of the programs and ministries of the UMC as it offers Christ through district, conference, or worldwide activities. The Ministry Share components addressed through these policies include ministries managed by the Michigan Conference, the Ministerial Pension Fund, Church World Service, and the Episcopal Fund.

1. For the purpose of establishing a uniform system of financing the Conference, all Ministry Shares made by the Conference and Districts shall be based on the Grade Figure System employed by the Conference for the common budget.
2. The Council on Finance and Administration shall apportion the amount comprising the annual budget among the churches of the Michigan Annual Conference for the fiscal year (January through December.) These Ministry Shares shall be based on the Grade Figure System and in conformity with the requirements of *The Book of Discipline of The United Methodist Church* and rules adopted by the Annual Conference.
3. The Grade Figure System has been chosen because it allows Ministry Shares for the local church to be based upon the financial relationship of the local church to the total of the churches in the Conference. Each church is expected to assume its portion of the common budget. Giving in addition to Ministry Shares, such as designated special day offerings, authorized General and Conference Advance Specials, etc. is to be made in keeping with the *Discipline* affirmation that “payment in full [of the World Service apportionment] by local churches is the first benevolent responsibility of the church (§1812).”
4. The grade figure for the common budget shall be determined by the current operating expense budget (lines 40 - 47 of the Local Church Report) plus non-United Methodist benevolent giving (line 37 of the Local Church Report), except that in any year when the Ministry Shares are paid in full, the non-United Methodist benevolent giving amount will be excluded from the calculation. Annual variances in the resulting calculation will be moderated by using a four-year rolling average of these numbers. (Note: the line numbers can change based upon changes to the Statistical Report.)
5. Steps in determining the grade figure for the common budget:
 - a. For each local church, for each of the four most recent years reported, find the sum of lines 40 through 47 of the Local Church Report (plus line 37 non UMC benevolences – unless ministry shares are paid in full). For each year that Ministry Shares were paid in full, exclude the amount from Line 37. Add the four annual sums and find the simple average.
 - b. Divide the simple average by the Conference total (simple average) for the same lines.
 - c. Example:

Local church total 2017 = \$89,750	Conference total 2017 = \$57,147,624
Local church total 2016 = \$86,317	Conference total 2016 = \$58,487,020
Local church total 2015 = \$71,725	Conference total 2015 = \$56,025,720
Local church total 2014 = \$75,726	Conference total 2014 = \$51,369,385
Sum divided by four = \$80,879	Sum divided by four = \$55,757,437

Local church average \$80,879 divided by Conference average \$55,757,437 equals grade figure of .001451; multiply by the total common budget to calculate the Ministry Shares.

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6. Benefits Ministry Shares provide funding for the following areas: contributions for the denomination's retirement plan; premiums for the denomination's welfare plan; all expenses related to operations of the Conference Benefits Office and Conference Board of Pension & Health Benefits. Therefore, every local church will be administered a Benefits Ministry Share in connectional support of these conference ministries. The calculation for Benefits Ministry Shares shall be separate from the grade figure for the common budget, and shall be based upon the annual compensation paid by each local church to its Appointed Clergyperson or District Superintendent Assignment. The Conference Benefits Office will bill the Benefits Ministry Share to each local church monthly.
7. Steps in calculating the Benefits Ministry Shares billing:
 - a. For the purpose of Benefits Ministry Shares calculations, compensation includes base cash salary plus housing if provided. Twenty-five (25) percent of the base cash salary is added to the salary to determine compensation if a parsonage is provided. If a housing allowance is provided, the actual amount of the housing allowance is added to the salary to determine total compensation.
 - b. A fixed percentage of total compensation is used to calculate Benefits Ministry Shares. The fixed percentage will be established annually by CFA in collaboration with the Conference Board of Pensions and Health Benefits.
 - c. A reduced percentage will be used in situations of Retired Clergy Appointments, District Superintendent Assignments (DSA), or temporary situations of no appointment/assignment.
 - d. Benefits Ministry Share amounts will be adjusted the first of the month following a change in compensation or appointment status.
 - e. Example with Benefits Ministry Share percentage fixed at 12%:
 - 1) Compensation = \$40,000 salary plus parsonage
Local church Benefits Ministry Share compensation is \$40,000 + 25% of \$40,000 or \$50,000 x 12% = \$6,000 annually, billed \$500 monthly
 - 2) Compensation = \$27,000 salary plus \$15,000 housing allowance
Local church Benefits Ministry Share compensation is \$27,000 + \$15,000 or \$42,000 x 12% = \$5,040 annually, billed \$420 monthly
 - 3) Compensation = \$34,000 salary with no housing
Local church Benefits Ministry Share is \$34,000 x 12% = \$4,080 annually, billed \$340 monthly
 - 4) Compensation = \$18,000 with no housing for a DSA
Benefits Ministry Share percentage is reduced to 4% to reflect the DSA
Local church Benefits Ministry Share is \$18,000 x 4% = \$720 annually, billed \$60 monthly
8. Overpayment of a church's Benefits Ministry and Common Budget Ministry Shares will be carried over to that church's Benefits Ministry and Common Budget Ministry Shares for the following year.
9. Special policies are further set out below for churches without a 4-year history:
 - a. Calculation of Ministry Shares for new churches: a new church will be assigned Ministry Shares by the Conference and the District 20% of its "full" amount during the first calendar year after the effective charter year. During the second calendar year, the Ministry Shares will be at 40%; during

- the third year 60%, fourth year 80%; fifth year and thereafter 100%. Prior to the end of the year of their chartering, new church starts are expected to send a tithe (10%) of their giving receipts to the Conference on a quarterly basis.
- b. Calculation of Ministry Shares for merged churches: the statistics of the merging churches will be added together before calculating the Ministry Shares of the newly formed church for the ensuing year. Reasons for departure from this procedure will be reviewed by CF&A upon appeal, and adjustments may be made on a case-by-case basis.
 - c. Calculation of Ministry Shares for vital merger churches: a new classification of merged churches will be "Vital Mergers." Those mergers fulfilling the Vital Merger qualifications will be considered a new church start by the New Church Development Committee. As part of the Vital Merger process, the congregations involved will create a proposed budget for the merged church which will go into effect on the date the merged church begins worshipping and meeting as one congregation. This budget will be developed in consultation with, and given approval by, the District Superintendent and the District Committee on Church Building and Location. This budget will then be forwarded to the Conference Treasurers office to be used to formulate Ministry Share figures for the newly merged church. A new total base figure will be calculated for the merged church based on the formula outlined in paragraph 6. This new total base figure will be in effect until the actual financial records of the merged church are reported for the first full year of its existence and can be used to calculate a total base figure based on actual expenditures. The Vital Merger church will be assigned Ministry Shares by the Conference and District at 25% of its "full" amount during the first calendar year after the merger. During the second calendar year, the Ministry Shares will be 50%; 75% for the third calendar year; and 100% for the fourth calendar year and thereafter. The church must submit to the District Superintendent and Conference Treasurer's offices and the Board of Pensions a plan for managed debt repayment for any conference pension or health care arrearages.
10. As Ministry Shares are received during the year, the World Service apportionment from the General church shall be paid at the level of receipts.
 11. The portion of the Ministry Share for each local church designated for the Episcopal Fund shall be paid in the same proportion as the church pays its pastor. (¶818.3 of *The Book of Discipline of The United Methodist Church 2016*)
 12. Funds received in excess of expenses for the Conference fiscal year shall be placed in the reserves of the respective Ministry Share funds and maintained by the Conference Treasurer.
 13. During the Conference fiscal year, the Council on Finance and Administration, by a two-thirds (2/3) vote of its members, may use for the benefit of, or distribute to, Conference agencies and causes from the respective funds, such amounts as the Council by its action, upon concurrence with the Bishop, shall determine are required for use or distribution before the next session of the Annual Conference.

SECTION I – ADMINISTRATION

A. Local Church Contributions

1. All ministry shares apportioned to individual churches for the conference fiscal year shall be divided in ten (10) monthly installments. A statement will be sent from the treasurer's office 12 times a year.
2. All contributions, whether apportioned or un-apportioned, for Michigan Conference agencies and institutions, and for all benevolent causes of The United Methodist Church, shall be sent to the Conference Treasurer for distribution.

B. Clergy Support Items

1. Travel Reimbursement – Churches shall reimburse pastors of local congregations for travel expenses using a voucher system based on reimbursement equivalent to the IRS allowance for business mileage.
2. Expense Reimbursement – Churches may reimburse pastors of local congregations for professional expenses as defined by IRS code. A voucher system shall be used for such reimbursement.
3. Utilities – Churches shall pay all utilities in full for their parsonages, including heat, electricity, water, sewage, and basic telephone service.
4. Annual Conference – The Michigan Conference recommends that the local church pay living expenses for their clergy and lay members who attend Annual Conference. Such expenses should be paid at the rate specified for registration, meals and lodging as shown on the Annual Conference registration materials.
5. Health Insurance
 - a. Enrollment in the conference active group health care plan in most situations will be mandatory for all eligible participants. Enrollment of eligible dependents is optional at the discretion of the participant.
 - b. Each charge or conference-approved group shall share with the participant the full cost of conference group health insurance covering the pastor/conference lay employee and his/her dependents according to the approved premium sharing schedule.
 - c. Even if a pastor is enrolled as a dependent in a spouse's health care plan, the church will be expected to share a portion of the cost of the conference active group health care.
 - d. In the case of health benefits coverage for dependents when there is a legal separation or divorce, please refer to the conditions established by the healthcare policy of the Conference Board of Pension & Health Benefits.
 - e. At the time of a pastoral move, the insurance should be paid to the end of the billing period by the church from which the pastor is moving.
 - f. If a pastor chooses to be enrolled as a dependent on a spouse's health insurance plan, the pastor must have a signed waiver of coverage placed in the file in the Benefit's office. Joining the active conference group health care plan during the open enrollment period is always an option. Enrollment since the last previous open enrollment period is a prerequisite to receiving certain retirement benefits.
6. Effective dates for salary and Clergy Retirement Security Plan/Comprehensive Protection Plan (CRSP/CPP) Payments for Ministerial Appointment Change.
 - a. The salary shall be paid through June 30 when an appointment change is made at the session of Annual Conference. Salary payments for mid-year appointments will coincide with the effective date of the appointment.

- b. Payment on CRSP/CPP billing from the General Board of Pension and Health Benefits shall be made for the entire month of June for those appointment changes made during the session of Annual Conference. CRSP/CPP payments for mid-year appointments with an effective date of the first of the month shall be made for the previous month for the outgoing pastor and for the current month for the incoming pastor. Payments for appointment changes effective the 15th of a month shall be made for half of the current month for the outgoing pastor and half of the current month for the incoming pastor.
7. United Methodist Personal Investment Plan (UMPIP) – This is the pastor's recommended contribution (at least three percent) to his/her own personal retirement account. The local church is not required to contribute to this. Where churches do, however, it shall be considered as part of the total cash salary and so reported.

C. Cabinet Level Salaries

The salaries of District Superintendents, Director of Connectional Mission and Ministries, Director of Conference Benefits and Human Resources Services, Director of Administrative Services and Conference Treasurer, Director of Communications, Director of Clergy Excellence, and the Director of Congregational Vibrancy shall be set by Council of Finance & Administration. Council of Finance & Administration shall consider the best information available, including, but not limited to, the denominational average compensation, Conference average compensation, the average salary of the top 10 highest paid pastors, and the US Consumer Price index or inflation rate.

SECTION I – TRAVEL EXPENSE POLICIES

A. Conference travel

Expenses incurred due to travel on behalf of the Michigan Conference of the United Methodist Church may be reimbursed. All persons who are entitled to travel and other expense reimbursements must complete and submit an expense reimbursement form on a regular basis. Expenses within the appropriate budget limits will be reimbursed. Each form should include detailed explanations of trip expenses and mileage. Receipts for all expenses exceeding \$10 must be attached to the report. According to IRS regulations, reimbursed expenses which are inadequately supported or un-documented may be considered additional compensation and thus be taxable to the recipient.

1. Who May Request Travel Reimbursement – Any Conference employee or member of a Commission, Board, or agency who has traveled for a required Conference purpose may request travel reimbursement. Such amounts must be reasonable. Expenses relating to commuting will not be reimbursed.
2. Information and Documentation Requirements
 - a. Airlines – Receipt from airline must be provided. Electronic tickets may be documented with the emailed receipt from the airline company. Air travel insurance is not a reimbursable expense.
 - b. Auto Expenses – Includes parking fees, tolls, car rental (see below), taxicab, shuttles and other expense incurred in ground transportation; all of which are eligible to be reimbursed. No police or court fines or tickets for parking violations will be reimbursed.
 - c. Car Rental – Rental cars are reimbursable where common carriers are not available or feasible due to scheduling needs, or actual rental cost in-

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- cluding gas and other charges are less than the standard mileage rate or common carrier cost.
- d. Dates of Travel – The expense report should clearly indicate the dates of travel for each trip.
 - e. Incidentals – Tips for baggage handling, porters, bellhops, restaurant service, and business telephone charges are reimbursable. Incidentals should not exceed \$10 per day.
 - f. Lodging – Lodging should be obtained at the most reasonable rate available for the location. A copy of the bill should be submitted with the expense report. Actual cost will be reimbursed when a copy of the bill is submitted. Entertainment expenses are not reimbursable.
 - g. Meals – Meals are reimbursable when travel begins prior to or ends after the normal meal time. Reimbursement will not be made for alcoholic beverages. Generally, meals should not exceed \$40 per day. The maximum daily meal allowance begins when you leave your office. The trip ends when you arrive back at your office but excludes personal travel during the total trip.
 - h. Mileage – Miles traveled on Conference business will be reimbursed at the appropriate rate approved by the Internal Revenue Service. Total miles per trip should be itemized for each day reported. Mileage to be reimbursed is the round-trip miles from the primary office location unless the trip originates from home in a different city in which case the mileage to be reimbursed is the lesser of the round-trip miles from the primary office location or the home location. Odometer readings are not required but may be reported. Commuting miles and miles incurred for personal business in route for Conference business are not reimbursable. A group mileage report may be completed for committee meetings where there are no other expenses which require receipts to be attached to the report. Any expense reimbursement requiring a receipt must be reported separately by individuals.
 - i. Purpose – The business purpose of each trip must be clearly documented on the travel expense report. Confidential information need not be disclosed but should be maintained in a personal log or diary for your own records. Group meal receipts must document all individuals included in the expense.
 - j. Receipts – Receipts must be submitted for all expenses exceeding \$10. The receipt should report individual items purchased. The original detailed receipts and the credit card authorization receipt showing the partial card number and any tip amounts must accompany any requisition submitted for expenses paid by credit card. Please submit original receipts only. If costs are being shared by another organization and receipts are required for that entity, a copy of the shared items and corresponding expense report submitted to the second organization may be submitted.
 - k. Registration Fees – Evidence of fees paid must be submitted.
 - l. Spouse Expenses – Spousal travel expenses will only be reimbursed in situations where their presence is required by the Conference on Conference business. To avoid any perception that personal expenses are being reimbursed, Board minutes or other written documentation should document a spouse's required presence.
3. Who May Approve Expense Reports
The Bishop may approve travel reimbursement of District Superintendents; the Director of Connectional Ministries may approve travel reimbursement request

for Associate Directors and Treasurer. The Treasurer may approve reimbursement requests by any employee of the Conference and the Bishop. No individual may approve a reimbursement to themselves.

Group Mileage Reports may be approved by an officer of the committee, Director of Connectional Ministries or Treasurer. The individual approving the group travel should not be listed as a payee for travel on the same report.

4. **Timing of Check Requests and Processing**
Forms for each month should be received in the Treasurer's Office as soon as feasible after the month's travel is completed. Travel expense reimbursement requests will be processed in the normal processing schedule. Forms which are incomplete or improperly filled out may result in a delay in processing the check or may be returned for further information.
5. Travel and other expense advances are issued only in very rare instances, except for District Superintendents and conference staff. Upon signing a promissory note, an advance may be obtained, which will be due and payable when the person leaves the staff position.
6. Conference personnel who draw travel allowance by voucher shall receive reimbursement equivalent to the federal IRS allowance for business mileage. This is designed to cover the cost of automobile operation.
7. All others drawing travel expenses from conference funds shall receive reimbursement equivalent to the federal IRS allowance for moving and medical care mileage for car and travel and \$.02 per mile per passenger up to five people. This is designed to cover out-of-pocket expenses (i.e. gas and oil).

B. Travel expense by conference agencies

1. The travel expense of authorized representatives of conference agencies attending meetings convened by conference agencies drawing their full budget from the conference shall be paid by the agency which calls the meeting.
2. Dependent reimbursement cost necessary for dependents (children, sick or elderly) may be distributed from the Administrative budget for a member of any board, commission or committee meeting. The amount reimbursed shall not exceed \$40 per day, per member.
3. Travel to non United Methodist agencies The travel expenses of authorized conference representatives attending meetings convened by non United Methodist agencies within the state of Michigan, shall be paid by the conference, as provided in Part 1 of this section, to the extent the expenses are not borne by the convening agency.

SECTION III – MOVING EXPENSE POLICY

A. Eligible Persons and Moves

1. No moving expenses will be approved until the Appointment Status Sheet is received by the Conference Treasurer's office.
2. All pastors under active appointment within the Michigan Conference structure are eligible to receive moving expense benefits. This will include local church pastors, district superintendents, staff members of conference or district councils, boards, and agencies, treasurers, bishop's assistants, superintendents or directors of parish development, conference-approved evangelists, and campus ministers.
3. Seminary students and pastors from outside the Michigan Conference who are accepting appointment in the conference are eligible for moving expense benefits as provided in this code up to a limit of 750 miles.

4. The conference will pay for one retirement move for pastors who have retired or plan to retire from Episcopal appointment in the conference. The move must be taken within five years of the retirement date. The designation of a retirement move must be declared in writing before the moving expenses are incurred. A move within the state of Michigan shall be paid in accordance with the provisions of this code. A move outside the state shall be paid up to the cost equivalent of 600 miles beyond the state border. Pastors called out of retirement and assigned to a charge will be granted an additional retirement move.
5. A disability move or the move of the surviving spouse of an eligible pastor shall be paid in accordance with the policy for retiring pastors. The conference shall pay for the move out of the parsonage or other approved housing, to another residence in the event of an eligible pastor's death, in accordance with the policy for retiring pastors.
6. When a separation or pending divorce action makes a move advisable, the spouse of a pastor is entitled to reimbursement for one move. Benefits are the same as those available to a surviving spouse of a deceased pastor.
7. Moves within a charge from one parsonage to another are the responsibility of the local charge unless ordered by the cabinet.
8. Pastors not eligible for moving expense benefits include those:
 - a. under appointment outside the structure of the conference.
 - b. on sabbatical, leave of absence, or location.
 - c. who no longer have membership in the annual conference.

B. Policy for Moves

1. Interstate moves – Moves to or from states other than Michigan. Interstate moves are very competitive and 2 or 3 estimates should be obtained before choosing a moving company to get the lowest rate available. Most movers will provide a "Not to Exceed" estimate.
2. Intrastate moves – Moves greater than 40 miles within the State of Michigan. These moves are regulated by State Law and the cost is based solely on weight and distance. Multiple estimates are not required.
3. Local zone moves (40 miles outside of corporate limits) - Local zone moves are not regulated as are other moves within the state. Therefore, 2 or 3 estimates should be obtained to get the lowest rate available. Charges will be based on an hourly rate times the number of employees involved. Most movers will provide "Not To Exceed" estimates if asked.
4. Family travel – Family travel for pastors covered by this policy will be paid upon request, for one car, at the IRS rate (except the first 100 miles), plus tolls. One overnight lodging will be paid for moves of more than 350 miles upon presentation of receipts.
5. Expenses covered by this code:
 - a. Normal state tariff provision for loading, transporting and unloading of household goods up to a maximum weight of 20,000 pounds, including professional books and equipment. Reasonable additional weight will be allowed for clergy couples to enable movement of professional books and equipment for each clergy person. Handwritten weight certificates will not be accepted.
 - b. Up to \$150 will be paid by the conference to cover needed packing materials, including wardrobes and dish packs. Mattress boxes will be provided.
 - c. One extra pickup and one extra delivery for each clergy person.
 - d. Reasonable charges for necessary handling of special items such as a piano or freezer.

- e. Standard liability insurance of 60 cents per pound which is furnished by the moving company, at no extra charge, under basic tariff provisions.
NOTE: It is now required that the householder sign a release statement on the Bill of Lading on the day of the move to release the shipment to a value of 60 cents per pound per article. Failure to do this will allow the moving company to charge a premium for insurance to cover the shipment at a value of up to \$1.50 per pound.
 - g. Where there are medically recognized physical limitations, up to \$1,000 additional shall be allowed for packing. A physician's authorization must be provided. Contact the Conference Treasurer for authorization.
 - h. Storage charges are the responsibility of the local church if the parsonage is not ready for occupancy. The conference will pay only to the place of storage.
 - i. When a moving company has been selected and an estimate given, contact the treasurer's office for authorization to be given to the mover. Because Michigan in-state moves are regulated by tariff, only one estimate is needed if items 1 and 2 above do not apply to the move.
6. Expenses NOT covered by this code:
- a. Moving of items other than normal household goods and books, such as boats, trailers, autos, building materials, firewood, fishing shanties, dog houses, etc.
 - b. Packing and/or unpacking services, except as noted in 5.f.
 - c. Full value insurance beyond standard liability insurance provided by the moving company.
 - d. Charges for waiting time, extra labor, connecting and disconnecting appliances.
 - e. Consequential damages resulting from any part or aspect of the move.
 - f. Emotional or pain and suffering damages arising directly or indirectly, from any part or aspect of the move.

C. Miscellaneous Policies

- 1. No moving company shall employ a pastor or an immediate member of his/her family to solicit business at any time for the purpose of receiving a commission or other consideration.
- 2. No company shall be allowed to establish an office at the seat of the conference for the purpose of soliciting business.
- 3. Each pastor is advised to request a copy of his/her inventory sheet from the mover at the time of loading and that it be signed by both the pastor and the moving company.
- 4. Pastors may want to check with their moving company or home insurance company and request an all-risk policy that would cover all damages in the moving of their household goods from one residence to another.

D. Administration

- 1. The Conference Treasurer shall administer the Moving Expense Fund.
- 2. Pastors anticipating a move shall consult with the Conference Treasurer's office to review the guidelines of this code.
- 3. The pastor shall be responsible for contacting a moving company and for scheduling the loading and unloading of household goods.
- 4. A written estimate of the cost of moving services shall be made by the moving company and a copy shall be sent to the conference treasurer's office in advance of the move.
- 5. A letter of authorization shall be sent from the Conference Treasurer's office in advance of the move.

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6. Billing for the cost of moving expenses covered by this code shall be made directly to the Conference Treasurer's office. Moving expenses not covered by this code shall be billed directly to the pastor.
7. Provision for payment of any unusual expenses which are not defined by this code shall be arranged through consultation with the Conference Treasurer prior to the move.
8. Requests for exception to the provisions of this code shall be made to the Conference Treasurer in advance of the move. The Treasurer shall review and decide on each exception after consultation with the cabinet and/or CFA, as necessary.
9. Pursuant to IRS rules, employer paid moves are considered taxable to the employee. The treasurer's office will provide 1099-MISC to the employee in accordance with the IRS rules.

APPROVED MOVING COMPANIES

(Listed Alphabetically)

- | | |
|---|--|
| <p>1.** Corrigan Moving Systems
United Van Lines
4204 Holiday Dr.
Flint 48507
810-235 9700 / 800-695-0540</p> <p>7409 Expressway Court St
Grand Rapids 49548
616-455-4500
www.Corriganmoving.com</p> | <p>6. Palmer Moving & Storage
North America Van Lines
24660 Dequinre
Warren 480913332
800-521-3954</p> <p>7. Rose Moving & Storage
Allied Van Lines
41775 Ecorse Road, #190
Belleville, MI 48111
800-521-2220
www.rosemoving.com</p> <p>8. Stevens Worldwide Van Lines
Clergy Move Center
527 Morley Drive
Saginaw 48601
989-755 3000 / 800-678-3836
www.stevensworldwide.com</p> <p>9. Taylor Moving & Storage
8320 Hilton Rd.
Brighton, MI 48114
810-229-7070 / 800-241-7122
www.taylormoving-storage.com</p> <p>10. Thunder Bay Moving & Storage
Atlas Van Lines
2630 US 23 South
Alpena 49707
989-356-9394/800-828-2016</p> |
| <p>2. Escanaba Moving Systems
United Van Lines
2601 Danforth
Escanaba 49829
906-786 8205</p> <p>3. Frisbie Moving and Storage
United Van Lines
14225 Schaefer Hwy
Detroit 48227
313-837 0808</p> <p>4. Guindon Moving & Storage Co.
1600 3rd Ave. N.
Escanaba 49829
800-562-1075 / 906-786-6560</p> <p>5. Henry L. Myers Moving
Allied Van Lines
1621 11th Avenue
Port Huron 48060</p> | |

SECTION IV – INVESTMENT POLICY

A. Statement of Purpose

The purpose of this Investment Policy (IP) is to provide governance and oversight to investments of conference funds under the control and responsibility of the Michigan Conference Council of Finance & Administration. The intent is to facilitate and not hinder conference agencies in the execution of their duties related to the management of their investment portfolios and in the use of their funds as provided in the *2016 Book of Discipline of The United Methodist Church*. In recognition of its fiduciary responsibilities and the mandate of the *2016 Book of Discipline of The United Methodist Church (613.5)*, the Council of Finance & Administration has developed this IP governing investment of their respective conference funds.

B. Delineation of Responsibilities

1. Under the *2016 Book of Discipline of The United Methodist Church (612.1)*, the purpose of the Council of Finance & Administration shall be to develop, maintain, and administer a comprehensive and coordinated plan of fiscal and administrative policies, procedures, and management services for the conference. Accordingly, the Council of Finance & Administration is responsible for establishing principles, policies, standards and guidelines for the investment of all monies, assets and properties of the conference.
2. The Council of Finance & Administration is ultimately responsible for the financial integrity and oversight of conference financial resources. Under this IP all operational and implementation of policy decisions may be delegated to the Investment Committee.
3. The Council of Finance & Administration shall at least once per year review the IP, the effectiveness of the Investment Committee and the overall results of the investments, and will acknowledge in writing that they have done so.

C. Members of the Investment Committee

The Conference Investment Committee shall be a sub-committee of Council of Finance & Administration and be composed of five Council of Finance & Administration members selected by Council of Finance & Administration. The members' individual terms shall not exceed eight years and shall be staggered to provide for continuity and experienced leadership. The chairperson and other offices shall be nominated by the Committee from among its members and approved by the Council of Finance & Administration.

1. Responsibilities of the Investment Committee:
2. To define and develop investment goals, and other operational guidelines.
3. To recommend to the Council of Finance & Administration the selection and discharge of the Investment Managers.
4. To monitor and evaluate the performance results and risk posture of the Investment Manager(s).
5. To provide semi-annually to the Council of Finance & Administration a written account of the investment results, accounting summary and any significant developments.
6. To provide annually to the Council of Finance & Administration a written annual evaluation of the Investment Managers.
7. To require all portfolios will be managed with the aim of maximizing funds available for mission in a manner consistent with the preservation of capital, the Policies Relative to Socially Responsible Investments and the Social Principles of The United Methodist Church.
8. To establish effective communication procedures between the Committee, Council of Finance & Administration, the staff and the outside service providers.

9. To monitor and control investment expenses.
10. To delegate the execution and administration of certain Committee responsibilities as appropriate to the Conference Treasurer who serves as its staff.
11. To carry out any other duties required for the legal operations of the investments, including but not limited to hiring outside vendors to perform various services.
12. To report to the Council of Finance & Administration any significant deviations from this policy for prior approval before they are implemented.

D. Investment Managers

To achieve its investment objectives and to ensure alignment with United Methodist Policies Relative to Socially Responsible Investments and Social Principles, the Investment Managers of Conference Funds, shall be The United Methodist Foundation of Michigan and Wespath Benefits and Investments.

E. Investment Performance Benchmarks

The investment performance of total portfolios and asset class components will be measured against the published benchmark for the respective investment funds, as well as, against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives and guidelines as set forth in this IP. The standard of care when making decisions is the Prudent Expert Standard, defined as:

“...the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.”

F. Responsibilities of Investment Managers

The Investment Managers shall provide the Investment Committee quarterly or as necessary the following written reports:

1. the portfolio's complete holdings;
2. a review of the investment performance measured against the respective benchmarks;
3. a commentary on investment results in light of the current investment environment and the goals and guidelines;
4. a review of the key investment decisions and the rationale for these decisions;
5. a discussion of the manager's outlook and what specific decisions this outlook may indicate;
6. any recommendations as to changes in goals and guidelines in light of material and sustained changes in the capital market; and any significant change in the manager's investment outlook, ownership or key employees.

G. Socially Responsible Investment Guidelines

As an Annual Conference of The United Methodist Church we are committed to implementation of the socially responsible investment policies in *2016 Book of Discipline of The United Methodist Church (717)*. (We encourage all of our congregations to be socially responsible investors.)

“Sustainable and Socially Responsible Investments-In the investment of money, it shall be the policy of The United Methodist Church that all general boards and agencies, including Wespath Benefits and Investments, and all administrative agencies and institutions, including hospitals, homes, educational institutions, annual conferences, foundations, and local churches, make a conscious effort to invest in institutions, companies, corporations, or funds with policies and proactives that are socially responsible, consistent with the goals outlined in the Social Principles. All United Methodist institutions shall endeavor to seek investments in institutions, companies, corporations, or funds that pro-

mote racial and gender justice, protect human rights, prevent the use of sweatshop or forced labor, avoid human suffering, and preserve the natural world, including mitigating the effects of climate change. In addition, United Methodist institutions shall endeavor to avoid investments in companies engaged in cored business activities that are not aligned with the Social Principles through their direct or indirect involvement with the production of anti-personnel weapons and armaments (both nuclear and conventional weapons), alcoholic beverages or tobacco; or that are involved in privately operated correctional facilities, gambling, pornography or other forms of exploitative adult entertainment. The boards and agencies are to give careful consideration to environmental, social, and governance factors when making investment decisions and actively exercise their responsibility as owners of the companies in which they invest. This includes engaging with companies to create positive change and hold them accountable for their actions, while also considering exclusion if companies fail to act responsibly.”

H. Target Asset Allocations and Rebalancing Guidelines

The purpose of allocating among asset classes is to ensure the proper level of diversification and risk for each portfolio. The primary considerations in the asset allocation decision process are:

1. maintaining inflation-adjusted purchasing power;
2. growing the corpus of the funds to meet future obligations;
3. achieving a minimum return in excess of inflation but with minimal annual fluctuations in the corpus; and,
4. maintaining the longevity of the assets and their distributions while taking into consideration that there may be no additional contributions.

I. General Investment Policies

1. Not less than 30% nor more than 70% of the market value of the assets of the fund shall be iniquity securities, unless otherwise determined by the Investment Committee.
2. Not more than 20% of the market value of the assets of the fund shall be in cash or cash equivalents, unless otherwise determined by the Investment Committee.
3. No more than 10% of the market value of the assets are in the securities of any one issuer, except for securities of the U.S. Government or its agencies.
4. No more than 20% of the market value of the equity assets are in the equity issues of companies in any one industry.
5. Periodically market conditions may cause the portfolio's investments in various equities (mutual funds) to temporarily vary from the established industry allocation policy.

J. General Investment Policies

1. Fixed-Income securities may be held only if such securities are issued by the U.S. Treasury or any agency of the U.S. Government, or are corporate bonds rated in one of the top two letter classifications by Moody's or Standard and Poor's. Convertible securities will be considered as equity securities.
2. Short-term securities may be held only if such securities are issued by the U.S. Treasury or an agency of the U.S. Government; are commercial paper rated P-1 by Moody's, A-1 by Standard and Poor's or F-1 by Fitch's; or are certificates of deposit of U.S. banks which have or whose holding companies have a Standard and Poor's rating of A+ or better.
3. No direct investments shall be made in foreign currency denominated securities, including American Depository Receipts except as follows: Investments

may be made in common stocks, bonds and American Depository Receipts of those foreign securities listed on the New York, American or NASDAQ exchanges. Investments in a foreign securities pooled fund operated by a U.S. based money manager is also permitted provided that all transactions are in dollars.

- a. Investments shall not be made in commodities, real estate (except Real Estate Investment Trusts [REITS]), commodity contracts, financial futures, oil, gas mineral leases, mineral rights or royalty contracts.
- b. Margin transactions, short sales, options, put, calls, straddles, and/or spreads shall not be used.
- c. Investments shall not be made in the securities of an issuer which, together with any predecessor, has been in operation for less than three years.
- d. Investments shall not be made in securities for which market quotations are not readily available.
- e. Investments shall not be made in securities for the purpose of exercising control or management.
- f. Private placements of debt or equity will not be purchased.
- g. Investments shall not knowingly be made in securities of companies which have significant interest in the following activities: alcoholic beverages, tobacco, or gambling.
- h. Investments shall not knowingly be made in voting securities of companies which derive more than 15% of revenue from military contracts including both domestic and foreign customers. In the case of nonvoting securities, the limit shall be 5% of revenue.
- i. Investments shall not knowingly be made in companies which derive more than 3% of revenue from nuclear weapons contracts.
- j. Investments shall not be made if such investments will result in income which would require the filing of federal, state or local tax returns.

K. Amendments and Revisions

Amendments or changes to this IP may be made by the Council of Finance & Administration and incorporated directly into the policy as a revision and restatement or acknowledged and noted in an addendum until such time as the IP is revised and restated.

L. Investment of Other Conference Funds

The Conference Board of Pensions and Health Benefits and the Board of Trustees are given separate authority and responsibility in *2016 Book of Discipline of The United Methodist Church* for the management and investment of funds under their control. In carrying out their investment responsibilities, they may, if they determine, engage the services of the Investment Managers under this Policy to manage their funds, provided such funds shall be maintained in separate accounts. They shall also acknowledge that the responsibilities of the Investment Committee and Investment Managers and other investment guidelines as outlined in the Policy shall apply to their separate funds.

SECTION V – MISCELLANEOUS POLICIES

A. Conference-Wide Appeal for Funds

No proposal for apportionments or conference-wide appeals for funds shall be recognized from the conference floor until it has first been submitted to the Council on

Finance and Administration prior to completion by the Council of its annual budget recommendation to the conference [See ¶614.5 a-c of *The 2016 Book of Discipline*.]

B. World Service Apportionment

1. Special attention should be given to the *2016 Book of Discipline* which reads in part: "The World Service Fund is basic in the financial program of The United Methodist Church. World Service on apportionment represents the minimum needs of the general agencies of the church. Payment in full of these apportionments by local churches and annual conferences is the first benevolent responsibility of the church." (¶812 of *The 2016 Book of Discipline*).
2. Likewise, attention is called to ¶820.5 which reads: "Churches and individuals shall give priority to the support of the World Service and conference benevolences and other apportioned funds."

C. General Church Apportionments

Recognizing the importance of ministries supported by the General Church apportionments, the Michigan Conference shall make every effort to support all apportioned items at 100%. If the level of receipts in any year is insufficient to do so, the CFA shall use general reserve funds to achieve the 100% goal, at the discretion of the Council of Finance & Administration. The Episcopal Fund shall be paid at 100%.

The Michigan Conference will continue to make monthly remittance on General Church Apportionments and challenges its churches to do the same. Interpretive, educational and motivational assistance will be given to local church leaders in an effort to improve understanding of and support for all Ministry Shares.

D. Presentation of Proposed Budgets

The budgets of all conference boards, commissions, committees, institutions and agencies seeking support from the conference or from churches, groups or individual members of the churches of the conference, shall present their proposed budget for the ensuing year to the Council on Finance and Administration for recommendation to and approval by the annual conference. Conference program budgets will be processed by the Conference Leadership Team.

The following limitations shall apply only to those conference boards, commissions, committees, institutions, and agencies which receive their total budget support from the conference through Ministry Shares, fees, or gifts.

1. No annual conference agency expense of the budget under Connectional Ministry and Administration shall exceed the annual amount budgeted except as authorized by the conference Council on Finance and Administration.
2. Gifts and Bequests
 - a. No board, agency or commission may accept gifts or bequests that will obligate that board, agency or commission beyond its present budget.
 - b. If the receipt of such gifts or bequests could obligate the annual conference in the future, it cannot be received or accepted until it has been approved by the board, agency or commission, the Council on Finance and Administration, and the Annual Conference.
 - c. If the acceptance of such a gift or bequest must be determined prior to a session of the annual conference, approval may be given by a two-thirds vote each of the Board of Trustees and the Council on Finance and Administration voting separately.
3. Within the budget approved by the Annual Conference, the various conference boards, commissions, committees, institutions and agencies are individually given the task of distributing this in ways consistent with their assigned responsibilities.

4. No funds shall be shifted between budget areas of administration, program, and projects without the approval of the Council of Finance & Administration.
5. No program should be initiated or continued unless there is a reasonable assurance of adequate funds on a continuing basis to allow the program to be successful.

E. Auditing Requirements

All agencies receiving financial support from conference benevolences, or from any other authorized conference-wide appeal, shall make audited reports (as defined in the *2016 Book of Discipline*) to the Council on Finance and Administration concerning all such receipts and the disbursement thereof in such detail and at such times as the Council may direct. Furthermore, the books of the Conference Treasurer shall be audited annually as defined in the *2016 Book of Discipline of The United Methodist Church*.

F. Bonding of Treasurers

The conference contracts for fidelity bonds covering financial personnel of the conference agencies located in the conference headquarters and the conference treasurer as required by the *2016 Book of Discipline of The United Methodist Church*. In addition, a fidelity bond is provided for each conference trustee and for related staff up to \$1,000,000 by the General Council on Finance and Administration through the General Church Insurance Program.

G. Control System

The Council on Finance and Administration shall have a system of control in the disbursement of funds apportioned for conference staff, boards and agencies to ensure that they remain within their allocated budget. During the first six months of the fiscal year, the conference treasurer's office will honor vouchers presented for expenditures up to 70% of the amount approved by the annual conference for that board or agency. For the remainder of the year, spending by a board or agency may not exceed that board or agency's prorated amount of Ministry Shares receipts to date not yet expended, with the exception of salaries and like expenses. Exceptions will be made only with the approval of the appropriate supervising council or its executive committee (Conference Leadership Council or the Council on Finance and Administration) as documented in its minutes.

There shall be no carrying forward of budgeted funds from Ministry Shares receipts from one year to the next by any agency or board of the conference without approval of the Council on Finance and Administration. The following exceptions have been approved:

1. A fund of up to \$10,000 may be accumulated for transitional activities at the time of a change of bishop, administered by the Episcopacy Committee.
2. A fund of up to \$25,000 may be accumulated for maintenance of conference-owned properties, administered by the Board of Trustees.
3. A fund of up to \$25,000 may be accumulated for counseling needs, administered by the Conference Treasurer at the direction of the Episcopal Office, for victims of clergy sexual misconduct.
4. A fund of up to \$14,000 may be accumulated for district office equipment, to be administered by the Cabinet, and \$7,500 for equipment for the Conference Treasurer's office.

H. Housing/Furnishing Allowance

An amount of the salaries of the District Superintendents, Director of Connectional Mission and Ministries, Director of Conference Benefits and Human Resources Services, Director of Administrative Services and Conference Treasurer, Director of Communications, Director of Clergy Excellence, Director of Congregational Vi-brancy, Associate Directors, assistant to the bishop and director of the United

Methodist Foundation (if listed under the appointments) may be designated by that person and approved by CFA as a fair housing/furnishing allowance for Internal Revenue Service Section 107 purposes.

I. Conflict of Interest

Michigan Conference officials, employees and/or members of the various boards and commissions of the conference shall not, during their time of service, receive any compensation or have any financial interest in any contract or in any firm or corporation which provides goods or services (excluding publicly held companies where the official employee or member owns less than 1 percent of the voting stock thereof) or in any contract for the supply of goods or services or the procurement of furnishings or equipment, interest in any construction project of the conference, site procurement by the conference, or any other business whatsoever unless approved in writing in advance by the official's or employee's immediate supervisor and/or the board or commission upon which the member participates after full disclosure of the conflict including the amount of compensation and/or benefit the official, employee, or member will receive.

The term "official" "employee" or "member of the board or commission" — shall include the official's, employee's or member's immediate family. Immediate family shall be defined as any person residing with the official, employee or member and their mother, father, and/or sons or daughters.

J. Depositories

Depositories for the funds of Central Treasury shall be determined by the Council of Finance & Administration upon recommendation by the Conference.

K. Interest Earnings

All interest earned on General Funds carried in Central Treasury shall be accumulated in a General Funds Interest Account. (This does not include funds in Central Treasury which are being held for specific purposes, and have been designated as Interest Earning Funds by the Council.) At the end of each fiscal year, this General Interest Account shall be transferred and accumulated in the Conference Contingency Fund to be administered by the Council of Finance & Administration.

L. Policy on Electronic Mail and Internet Usage

Conference employees are provided with e-mail and Internet access for the purpose of furthering the business of the Michigan Annual Conference. All computing equipment provided to employees for their use remains the property of the Michigan Annual Conference, and use thereof is subject at any time to monitoring by management without notice.

Use of conference e-mail accounts is limited to business purposes. As such, they may not be used to solicit participation in any non-conference-sponsored activities. Employees who engage in personal use of conference e-mail do so at their own risk and expense. The Michigan Annual Conference will neither assume nor share any responsibility for any harassment, defamation, copyright violation, or other violations of civil or criminal law that may occur as a result of personal and/or inappropriate e-mail use. Responsibility for such incidents shall rest solely with the person who engages in such activities. Employees are prohibited from accessing other employees' files without the express consent of appropriate management personnel. Employees are also prohibited from using conference computer equipment and e-mail accounts to forward chain letters, jokes, or "spam."

Employees are reminded that e-mail communications should be drafted with the same thought and concern that would be devoted to other types of written communications, such as letters or memoranda.

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The conference reserves the right at any time and without notice to access and disclose all messages, sent from and received by conference e-mail accounts.

Employee access to the Internet on conference-owned computer equipment is strictly limited to business purposes. Employees are expressly prohibited from accessing any illegal websites. Accessing websites with racist, pornographic, defamatory, sexist, or otherwise offensive content is strictly prohibited. Employees who download copyrighted material in violation of the Copyright Act of 1976, 17 U.S.C. §101, *et seq.*, are reminded that they are subject to federal criminal prosecution. The Michigan Annual Conference will not assume any responsibility for any civil or criminal prosecutions of employees in connection with improper Internet activity, nor will the Michigan Annual Conference bear any portion of any legal fees employees may incur in connection with such improper activity.

The use of chat rooms with conference-owned computer equipment is strictly prohibited.

Conference employees are urged to exercise caution in opening e-mail attachments from unknown persons due to the risk of computer worms and viruses. Any conference employees who knowingly allow conference computer equipment to become infected by a virus or worm shall be subject to disciplinary action, up to and including immediate termination. Such employees may also be held legally and financially liable for these actions. The Michigan Annual Conference reserves the right to commence civil litigation or to press criminal charges in such circumstances.

Violation of any conference rule regarding e-mail and Internet usage may result in disciplinary action, up to and including immediate discharge from employment.

SPECIAL OFFERINGS

The annual conference recommends:

- A. The support of general and conference Advance Specials as particularly approved by the annual conference (see *ENGAGE Book*).
- B. The special days designated in the *Discipline* and by the Michigan Annual Conference with offerings for:
 1. Christian Education Sunday
 2. World Communion Sunday
 3. Rural Life Sunday
 4. United Methodist Student Day
 5. Human Relations Day
 6. One Great Hour of Sharing
 7. Native American Sunday
 8. Golden Cross Sunday
 9. Peace With Justice Sunday
 10. Disability Awareness Sunday (without offering)

CALENDAR

The following dates are established:

- A. January 9, 2019** - Last day for submitting payments to the conference treasurer for credit on the previous conference fiscal year.
- B. January 25, 2019** - Deadline for all boards, commissions, committees, and agencies to submit their budget requests for the ensuing conference fiscal year to the Council on Finance and Administration
- C. January 31, 2019** - Last day for receiving pastor's annual report by the conference statistician and treasurer.

2019 MICHIGAN CONFERENCE BUDGET

	2017		2017 West Michigan		2018		2018 West Michigan		2018 Combined Budget		2019 Michigan Budget		Increase/ (Decrease)
	Detroit Actual	Detroit Budget	Actual	Budget	Detroit Budget	Budget	2018 West Michigan Budget	Budget	Budget	Budget	Budget	Budget	
A) Clergy Support Budget													
1) District Superintendents	\$1,279,748	\$1,481,153	\$1,092,545	\$1,130,276	\$1,481,153	\$1,130,276	\$1,130,276	\$1,130,276	\$2,611,429	\$2,611,429	\$2,102,743	\$2,102,743	(508,686)
2) Episcopal Fund	\$331,615	\$322,776	\$217,333	\$252,534	\$322,776	\$252,534	\$252,534	\$252,534	\$575,310	\$575,310	\$562,632	\$562,632	(12,678)
3) Ministerial Education Fund	\$213,246	\$368,132	\$243,940	\$288,019	\$368,132	\$288,019	\$288,019	\$288,019	\$656,151	\$656,151	\$641,692	\$641,692	(14,459)
4) Episcopal Residence Committee	\$4,000	\$4,000	\$2,558	\$3,500	\$4,000	\$3,500	\$3,500	\$3,500	\$7,500	\$7,500	\$7,500	\$7,500	-
5) Equitable Compensation Committee	\$47,332	\$81,200	\$82,026	\$70,000	\$81,200	\$70,000	\$70,000	\$70,000	\$151,200	\$151,200	\$125,000	\$125,000	(26,200)
6) Clergy Advocacy	\$-	\$-	\$-	\$2,000	\$-	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	-
7) Abuse Prevention Team	\$-	\$-	\$450	\$10,500	\$-	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	-
8) Clergy Moving Expense Fund	\$236,466	\$250,000	\$219,740	\$160,000	\$250,000	\$160,000	\$160,000	\$160,000	\$410,000	\$410,000	\$350,000	\$350,000	(60,000)
Sub-total Clergy Support Budget	\$2,112,408	\$2,507,261	\$1,858,591	\$1,916,829	\$2,507,261	\$1,916,829	\$1,916,829	\$1,916,829	\$4,424,090	\$4,424,090	\$3,802,067	\$3,802,067	(622,023)
Provision for Unpaid Ministry Shares	\$-	\$407,453	\$-	\$392,745	\$407,453	\$392,745	\$392,745	\$392,745	\$800,198	\$800,198	\$601,976	\$601,976	(198,222)
Total Clergy Support Budget	\$2,112,408	\$2,914,714	\$1,858,591	\$2,309,574	\$2,914,714	\$2,309,574	\$2,309,574	\$2,309,574	\$5,224,288	\$5,224,288	\$4,404,043	\$4,404,043	(820,245)
B) Administration Budget													
1) Council on Finance & Administration	\$832	\$1,500	\$938	\$1,200	\$1,500	\$1,200	\$1,200	\$1,200	\$2,700	\$2,700	\$2,000	\$2,000	(700)
2) Treasurer's Office	\$410,574	\$448,661	\$277,068	\$294,800	\$448,661	\$294,800	\$294,800	\$294,800	\$743,461	\$743,461	\$684,164	\$684,164	(59,297)
3) Jurisdictional Conference	\$16,498	\$20,723	\$12,871	\$16,000	\$20,723	\$16,000	\$16,000	\$16,000	\$36,723	\$36,723	\$36,723	\$36,723	-
4) General Conference Delegation	\$2,500	\$2,500	\$-	\$2,000	\$2,500	\$2,000	\$2,000	\$2,000	\$4,500	\$4,500	\$20,000	\$20,000	15,500
5) General Church Administration	\$98,626	\$129,422	\$77,148	\$101,257	\$129,422	\$101,257	\$101,257	\$101,257	\$230,679	\$230,679	\$225,596	\$225,596	(5,083)
6) Area Administration	\$284,238	\$324,427	\$317,416	\$280,805	\$324,427	\$280,805	\$280,805	\$280,805	\$605,232	\$605,232	\$556,453	\$556,453	(48,779)
7) Operations	\$225,024	\$206,018	\$-	\$-	\$206,018	\$-	\$-	\$-	\$206,018	\$206,018	\$332,783	\$332,783	126,765
8) Conference Secretary	\$4,047	\$8,300	\$875	\$10,000	\$8,300	\$10,000	\$10,000	\$10,000	\$18,300	\$18,300	\$18,300	\$18,300	-
9) Conference Statistician	\$2,796	\$3,100	\$604	\$500	\$3,100	\$500	\$500	\$500	\$3,600	\$3,600	\$3,600	\$3,600	-

Resolutions 2018

	2017 Detroit Actual	2017 West Michigan Actual	2018 Detroit Budget	2018 West Michigan Budget	2018 Combined Budget	2019 Michigan Budget	Increase/ (Decrease)
10) Conference Trustees	\$1,218	\$215,117	\$795	\$145,000	\$145,795	\$1,000	(144,795)
11) Committee on Archives & History	\$11,191	\$18,000	\$20,342	\$18,000	\$38,342	\$40,586	2,244
12) Committee on Human Resources	\$1,419	\$505	\$1,500	\$1,500	\$3,000	\$5,000	2,000
13) Legal Fees	\$17,592	\$17,091	\$30,000	\$25,000	\$55,000	\$55,000	-
14) Contingency Funds	\$130,395	\$893	\$23,000	\$30,500	\$53,500	\$50,000	(3,500)
Sub-total Administration Budget	\$1,206,951	\$938,527	\$1,220,288	\$926,562	\$2,146,850	\$2,031,205	(115,645)
Provision for Unpaid Ministry Shares	\$-	\$-	\$207,784	\$189,846	\$397,630	\$343,926	(53,704)
Total Administration Budget	\$1,206,951	\$938,527	\$1,428,072	\$1,116,408	\$2,544,480	\$2,375,131	(169,349)
C) Conference Benevolences Budget							
1) Agencies Relating to Christ-Centered Mission and Ministry							
a) Commission on Annual Conference Session	\$135,500	\$68,689	\$230,500	\$104,000	\$334,500	\$325,000	(9,500)
b) Commission on Communications	\$166,076	\$170,000	\$168,000	\$179,126	\$347,126	\$396,000	48,874
c) Committee on Journal	\$237	\$-	\$11,220	\$-	\$11,220	\$11,220	-
d) Board of Justice	\$9,402	\$-	\$6,950	\$-	\$6,950	\$15,000	8,050
e) Board of Global Ministries	\$53,020	\$44,655	\$62,567	\$56,000	\$118,567	\$210,000	91,433
f) Engage Program Promotion	\$256	\$-	\$7,000	\$-	\$7,000	\$-	(7,000)
2) Agencies Relating to Bold and Effective Leaders							
a) Conference Leadership Council	\$1,261	\$-	\$3,000	\$2,750	\$5,750	\$10,000	4,250
b) Board of Ordained Ministry	\$92,359	\$36,333	\$116,232	\$47,000	\$163,232	\$95,279	(67,953)
c) Committee on Nominations	\$378	\$377	\$3,000	\$3,000	\$6,000	\$7,500	1,500
d) Committee on the Episcopacy	\$1,200	\$800	\$1,200	\$800	\$2,000	\$2,000	-
e) Protection Policy	\$2,494	\$-	\$3,500	\$-	\$3,500	\$5,000	1,500

Resolutions 2018

	2017 Detroit Actual	2017 West Michigan Actual	2018 Detroit Budget	2018 West Michigan Budget	2018 Combined Budget	2019 Michigan Budget	Increase/ (Decrease)
3) Agencies Relating to Vibrant Congregations							
a) United Methodist Men	\$480	\$-	\$-	\$-	\$-	\$-	-
b) United Methodist Women	\$-	\$-	\$-	\$-	\$-	\$-	-
c) Board of Laity	\$2,811	\$2,400	\$6,000	\$3,000	\$9,000	\$10,000	1,000
d) Board of Young People's Ministry	\$37,477	\$437,329	\$46,250	\$223,000	\$269,250	\$350,000	80,750
e) Board of Congregational Life	\$253,551	\$427,732	\$270,500	\$287,000	\$557,500	\$581,000	23,500
f) Committee on Hispanic/Latino Ministry	\$24,762	\$529	\$27,000	\$40,000	\$67,000	\$39,000	(28,000)
g) Committee on Asian-American Ministry	\$2,947	\$-	\$7,000	\$-	\$7,000	\$47,000	40,000
h) Committee on Native American Ministry	\$592	\$108,243	\$2,757	\$100,000	\$102,757	\$115,000	12,243
i) Committee on African-American Ministry	\$1,412	\$-	\$3,000	\$-	\$3,000	\$66,000	63,000
j) Racial & Ethnic Local Churches	\$-	\$141,843	\$-	\$118,000	\$118,000	\$-	(118,000)
4) Administrative Expenses/Compensation							
5) World Service Fund	\$810,178	\$463,338	\$792,000	\$422,600	\$1,214,600	\$2,147,841	933,241
6) Pathways Funding	\$825,025	\$692,684	\$1,089,942	\$852,749	\$1,942,691	\$1,899,882	(42,809)
7) MI Area Camping	\$105,654	\$27,000	\$135,000	\$-	\$135,000	\$-	(135,000)
8) Contingency Funds	\$204,771	\$176,730	\$270,000	\$200,000	\$470,000	\$400,000	(70,000)
9) Assets Released from Restrictions	\$-	\$-	\$15,000	\$-	\$15,000	\$25,000	10,000
	\$20,000	\$-	\$-	\$-	\$-	\$-	-
Sub-total Conference Benevolences Budget	\$2,751,843	\$2,798,683	\$3,277,618	\$2,639,025	\$5,916,643	\$6,757,722	841,079
Provision for Unpaid Ministry Shares	\$-	\$-	\$416,700	\$540,717	\$957,417	\$925,303	(32,114)
Total Conference Benevolences Budget	\$2,751,843	\$2,798,683	\$3,694,318	\$3,179,742	\$6,874,060	\$7,683,025	808,965

Resolutions 2018

	2017 Detroit		2017 West Michigan		2018 Detroit		2018 West Michigan		2018 Combined		2019 Michigan		Increase/ (Decrease)
	Actual		Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
D) Other Apportioned Causes													
1) Black College Fund	\$112,259		\$88,504	\$146,844	\$114,888	\$255,965	\$261,732						(5,767)
2) Africa University Fund	\$28,267		\$28,450	\$32,863	\$25,712	\$57,284	\$58,575						(1,291)
3) Interdenominational Fund	\$21,935		\$17,055	\$28,791	\$22,525	\$50,185	\$51,316						(1,131)
Sub-total Other Apportioned Causes	\$162,460		\$134,009	\$208,498	\$163,125	\$363,434	\$371,623						(8,189)
Provision for Unpaid Ministry Shares	\$-		\$-	\$-	\$33,423	\$-	\$33,423						(33,423)
Total Other Apportioned Causes	\$162,460		\$134,009	\$208,498	\$196,548	\$363,434	\$405,046						(41,612)
Total Conference Common Budget	\$6,233,662		\$5,729,810	\$8,245,602	\$6,802,272	\$14,825,633	\$15,047,874						(222,242)
E) Benefits Ministry Shares Budget													-
1) Pension/Welfare Payments to Wespeth	\$-		\$-	\$1,260,000	\$-	\$3,128,220	\$1,260,000						1,868,220
2) Benefits Office	\$-		\$-	\$500,000	\$-	\$711,780	\$500,000						211,780
Total Benefits Ministry Shares Budget	\$-		\$-	\$1,760,000	\$-	\$3,840,000	\$1,760,000						2,080,000

MICHIGAN CONFERENCE CABINET DEAN'S REPORT

Rev. William Haggard,
Dean of the Michigan Conference Cabinet
June 5, 2018

Bishop, colleague superintendents, clergy and laity of the Michigan Annual Conference, guests; I am grateful today for this opportunity to share with you. I have been incredibly blessed to serve these past six years with two wonderful Bishops and to work alongside incredibly talented and grace filled superintendents. I have been honored to work with the clergy and laity of the Grand Rapids and Heartland Districts and to be a part of the incredible ministry that is happening all across our state. I am genuinely thankful for these six years.

I want to begin this morning by taking you back about 30 years to a warm fall afternoon. I was flying home to Michigan from an event in Texas and I had a several hour layover in Cincinnati. My sister lived there at the time and she came to the airport so we could have an hour or two to visit before my flight home. My sister worked as a level 5 Administrative Assistant for General Motors in those days, and as we caught up on family and other issues, our conversation shifted to her work. She began talking about the struggles GM was facing with the influx of foreign competition from Honda and Toyota and as we talked I had something of an epiphany. It struck me, as I listened to my sister describe the current business situation in her company, that **the auto industry and the church had done exactly the same thing**. Both of us had made the same significant miscalculation. Both GM and the Church had looked at the realities of the 1950s and 1960s and assumed throughout the 1970s and then into the 1980s that the same realities that had been present then would simply continue into the future. GM, it seemed to me, had taken the attitude, "where else are they going to buy cars?" so it allowed, in too many cases quality and innovation to slide.

The church, often ignoring what was happening in the culture around us, assumed that people would just keep coming as they always had whether we paid attention or sought to be relevant or not. And year by year we continued these patterns and both the church and the car companies saw a consistent and continual decline. We of the church in many places, behaved in ways that exacerbated our situation in the years following. We fought vehemently the changes that, had we made them back then, could have created a difference situation today. For decades we fought worship wars and resisted the multitude of prophets who wrote books telling us to get out beyond our enclaves and make a difference in world. We continued to delude ourselves into believing that the old pattern of United Methodist's moving from Lansing to Detroit finding a United Methodist church there and serving on three committees, would not change even as Brand loyalty continued to be a thing of the past. And so we have, over every one of the 38 years I have been in ordained ministry, watched as our churches and our Annual Conferences have declined. We've watched as the average age of United Methodist's has risen year by year. We've watched as young people have looked on with amazement and disbelief at both the things that we were willing to die for and the things we didn't seem to care about at all. And they have drifted away. And as we sit here this morning we are awaiting with significant levels of anxiety and uncertainty the special General Conference meeting next February to try to find a "Way Forward" as we deal with our 46 year old struggle over human sexuality.

These friends, are challenging days!

They are times perhaps not so much dissimilar, to the days Judah faced in the Scripture that was read just a few moments ago.

While we don't have time to delve deeply into this text, let me remind us basically what's going on. Judah is under siege. Babylon is just about to finish off the southern kingdom and take the best and the brightest into captivity. Jeremiah who clearly sees what's coming is being pressured by a relative to follow the custom and the law and buy from him a piece of land that within a very short time will be property of the Babylonians. My image for this scene is a guy trying to unload his beach front property just before the tsunami hits! If we had been Jeremiah we probably would have said, "nice try" but get lost. But that's not what Jeremiah does. Instead he takes great pains to be sure the sale is recorded properly and the deed kept safe. Why? Because Jeremiah has faith. Jeremiah believes that just because the Babylonians are at the door doesn't mean it's over. Just because they have made mistakes and it feels like God is far away doesn't mean that God is. Jeremiah looked forward, beyond the challenges of the present moment, and he did so with hope and aspiration. I like that.

And as I thought about it, **I think it's maybe a little bit like starting a new Annual Conference when you have been in decline for decades and you don't have any idea what's going to happen come next February.** It's a step of faith. It's a step of faith that says we're moving forward. We're engaging the mission anyway, because we know, as so many have said this week, we have work to do! We're going to create a new Conference who's vision and mission is the creation Christ Centered Mission and Ministries, Bold Effective Leaders, and Vibrant Congregations because we know that's what's needed and we believe it's what God is calling us to be and to do. We're not going to wait and see, we're going to engage our faith and move into the future with a confidence that whatever is decided at General Conference, whatever struggles we may continue to face there's a place for all of us in our calling to embrace the task of loving our neighbors and building the Kingdom of God on earth even as it is in heaven.

The car companies came back. A new normal settled in to be sure. Things were not the same. Market share shifted, and partnerships were formed. But they adapted, and they have products that are competitive and even superior because they chose to move beyond old patterns, beyond the assumptions, even beyond the mistakes of the past in order to reach forward into a positive new reality.

And friend we are moving in that same direction as the church. In order to get there, we'll have to do some things and we'll need to let go of some things. After serving six years as a Superintendent I am convinced that one thing we will have to do is let go our addiction to our buildings. You know one of the lessons the Jewish exiles learned in captivity was that God wasn't in the Temple. They discovered, much to their surprise, that they could find God wherever they were, IF they sought and served God. We need a similar revelation in our day as well.

We'll have to welcome change. We'll have to imagine things we've never imagined before. We'll have to allow ourselves to dream and allow God to show us what the church might be, could look like, as we seek to follow God into our communities in this constantly shifting culture we live in.

But here's what I believe....we can do it! We really can. And we know how to do it! We have been talking about it all week. We have heard at least a hundred ideas this week about how to do. The question is, as Naomi put it to us yesterday are we willing? It's not a knowledge issue is it? It's a heart issue.

Yes, we are in a challenging place. But we have been here before and we have been led through to good places of hope and life.

So here's what I propose: Let's purchase and register that land. Let's engage this new Annual Conference and all the new possibilities God puts before us with hope and faith. Though it may feel sometimes like the Babylonians are at the door, let us defiantly proclaim that there is a future for us. A future filled with mission and meaning. And may we enter that future with faith, with energy, with everything we've got, as Bishop and Cabinet, as the Directors Table, as 9 Districts and 880 Churches, as Laity and Clergy, as sisters and brothers in Christ; as the Michigan Annual Conference. Thanks be to God.

Amen.