

## **A Connectional Table – General Council on Finance and Administration Collaboration Agreement**

This document represents the work for the 2017-2020 quadrennium that the Connectional Table (CT) and the General Council on Finance and Administration (GCFA) will do in partnership to fulfill their joint disciplinary responsibilities related to resourcing the mission and ministry of The UMC. The following statement of work provides an overview of how this shared responsibility will be carried out during the 2017-2020 quadrennium. Changes are subject to the agreement of both the CT and GCFA boards.

### **Quadrennial General Church Budget**

GCFA and CT are charged with collaboratively developing a general church budget to propose to each general conference session to establish the apportioned funds, which support the work of the general church. The Book of Discipline states:

¶ **806. *Fiscal Responsibilities*** – All monies contributed by a local church to any of the general funds of the Church, as listed or defined in 810.1, and such other funds as may have been authorized by the General Conference shall be held in trust by the council and distributed only in support of the ministries of the respective funds. The council shall be accountable to The United Methodist Church through the General Conference in all matters relating to the receiving, disbursing, and reporting of such funds, and agencies receiving such funds shall be fiscally accountable to the council. In the exercise of its fiscal accountability role, the council shall have the authority and responsibility to perform the following functions:

1. It shall submit to each quadrennial session of the General Conference, for its action and determination, budgets of expense for each of the general funds of the Church, as listed or defined in 810.1, and such other general funds as the General Conference may establish. It shall also make recommendations regarding all other funding considerations to come before General Conference. Actual receipts for each fund for the quadrennium then ending shall be the basis for all budgeting procedures and comparisons for the coming quadrennium.

a) The council shall make recommendations to the General Conference as to the amount and distribution of the Episcopal Fund and the General Administration Fund, and in consultation with the Connectional Table, other apportioned general funds.

b) In the case of the World Service Fund, Ministerial Education Fund, Black College Fund, Africa University Fund, and Interdenominational Cooperation Fund, the General Council on Finance and Administration and the Connectional Table shall proceed in the following manner to develop budget recommendations as they relate to allocations to the general program agencies of the Church and the funding level recommendations:

(1) The General Council on Finance and Administration shall establish the estimated amount available for distribution from the World Service Fund among the general program agencies and through other funds.

(2) The Connectional Table will review the program priorities, missional priorities, and special programs and the estimated amount available to the general program agencies and then establish the amounts to be distributed to those agencies from the annual World Service allocation. The Connectional Table will review both the funding priorities and the estimated amount available to the other funds and then establish the amounts to be distributed to each.

(3) The General Council on Finance and Administration will review the recommended allocations to the several general program agencies within the total sum of the World Service Fund budget, and the funding levels for each of the other listed apportioned funds. When the GCFA and the CT agree, these allocations and the total sum will be included in the World Service budget and the funding levels of all these listed general apportioned funds will be recommended to the General Conference by the GCFA.

### **Joint GCFA/CT Responsibilities to Support the Quadrennial Budgeting Process**

**Budget Advisory Team:** The CT and GCFA will form a joint Budget Advisory Team (BAT) that will include the CT and GCFA: president/chairperson, executive, and no more than four designated leaders from each from the CT and GCFA board as deemed appropriate by each body. (In the 2013-2016 quadrennium, these seats were filled by the GCFA GAEM Committee chair and the CT Finance and Budget Group chair.) In addition, one or more general secretaries/agency treasurers shall serve in a consultative role to the Budget Advisory Team as deemed necessary.

**Responsibilities of the Budget Advisory Team:** The BAT is responsible for overseeing the development of budgeting principles, processes and a timeline for the 2017-2020 quadrennium. Using the information provided by the EAC, the BAT will make a bottom line recommendation to GCFA and CT. If new responsibilities for the BAT arise during the 2017-2020 quadrennium, they will be articulated and agreed upon by the boards of the GCFA and CT.

### **GCFA PRIMARY RESPONSIBILITIES**

This agreement outlines the following responsibilities of GCFA in the partnership with CT during the 2017-2020 quadrennium:

#### **General Church Budget:**

- **Economic Advisory Committee:** GCFA will convene and staff an Economic Advisory Committee (EAC) to forecast economic trends and provide estimates of the amount available for distribution for the apportioned funds of The United Methodist Church. The Connectional Table will name a representative to serve on the Economic Advisory Committee as a liaison to the CT. This body will make recommendations to GCFA about the funding levels available to the general church. (§806.1.b (1))
- **General Administration Fund and the Episcopal Fund:** GCFA will make recommendations for the funding levels and allocations within the General Administration Fund and the Episcopal Fund. (§806.1.a)

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- **Review Connectional Table Allocation Recommendations:** GCFA will receive and review recommendations made by the Connectional Table for the funding levels and allocations for the World Service Fund, the Ministerial Education Fund, the Black College Fund, the Africa University Fund and the Interdenominational Cooperation Fund. (§806.1.b (3))
- **Recommend Apportionment Formulas:** GCFA is responsible for recommending to the General Conference the apportionment formula for annual conferences. (§806.1.c)

### **World Service Contingency Funds:**

GCFA will communicate to the Connectional Table at the beginning of each year the amount available of the World Service contingency funds. The CT has the responsibility to receive requests from the general program agencies for additional funding. If the CT makes a recommendation to fund general administrative costs or capital outlay out of the World Service Contingency Fund, it will bring the request to GCFA for additional approval. (§ 806.1.d) Additionally, in the event the CT makes a request for its own use or a request brings the balance of the World Service contingency funds below the minimum level of \$1.7 million, it will bring the request to GCFA for approval.

*[This World Service contingency fund process represents a change in the process from the 2013-2016 quadrennium. The CT will no longer request funds to create a separate CT World Service Contingency Fund account from which to allocate funds, but rather maintain the World Service Contingency Fund as the sole account for The UMC. This will reduce administration and streamline procedures.]*

### **Annual Spending Plans of Program Agencies:**

GCFA will work in partnership with the CT to receive and review the annual spending plans of the general program-related agencies.

## **CONNECTIONAL TABLE RESPONSIBILITIES**

This agreement commits the Connectional Table to the following responsibilities during the 2017-2020 quadrennium:

### **General Church Budget:** Apportioned Funds

- **World Service Fund:** Each quadrennium, the Connectional Table will review the program priorities, missional priorities, and special programs and the estimated amount available to the general program agencies and then establish the amounts to be distributed to those agencies from the annual World Service allocation.
- During the 2017-2020 quadrennium, the Connectional Table will partner with the Standing Committee on Central Conference Matters to review and recommend changes to Chapter 5 of the *Book of Discipline* that align with a General Book of Discipline toward a more equitable worldwide United Methodist connection. We anticipate that this will have budget implications so

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we will continue to adjust and adapt our timeline and requirements for decision-making as needed.

- **Ministerial Education Fund, Black College Fund, Africa University Fund and the Interdenominational Cooperation Fund:** Each quadrennium, the Connectional Table will review both the funding priorities and the estimated amount available to the Ministerial Education, Black College, Africa University and the Interdenominational Cooperation Funds and then establish the amounts to be distributed to each.

. The BAT will recommend a bottom line to both GCFA and CT and assist with the collaboration process regarding the funding levels of each fund if the totals brought by both GCFA and CT, for their respective funds, are different from the recommended bottom line.

### **World Service Contingency Funds:**

The Connectional Table will receive from GCFA the amount available of World Service contingency funds and report this to CT membership. It will receive requests from general program agencies for any additional funds requested for unfunded mandates or emerging ministries. In an effort to reduce administrative processes from previous quadrennia, the CT will no longer hold a separate account of World Service contingency funds and instead make allocations from the account held by GCFA (§ 806.1.d). The CT will delegate this responsibility to the appropriate CT committee to receive, review and make recommendations to the full CT board. If the CT makes a recommendation to fund general administrative costs or capital outlay out of the World Service Contingency Fund, it will bring the request to GCFA for additional approval. (§ 806.1.d) Additionally, in the event the CT makes a request for its own use or a request brings the balance of the World Service contingency funds below the minimum level of \$1.7 million, it will bring the request to GCFA for approval.

CT and GCFA recommend continuation of requesting that agency general secretaries review and discuss World Service contingency proposals before they are submitted to the committee reviewing requests on behalf of the Connectional Table and then the full Board. The purpose of this peer review is to ensure that the ministry proposals:

- Do not duplicate ministries already funded in another agency;
- Highlight opportunities for stronger collaboration among agencies; and
- Allow agency leaders the opportunity to contribute resources to the identified need.

The requesting agency can then decide if and how to incorporate any information received from the peer review process.

### **Annual Review of General Program Agency Spending Plans:**

The CT will receive the spending plans from GCFA and review the budgets in relation to the program proposals submitted with the quadrennial budget request. The CT will work collaboratively with GCFA to streamline the review process. (§ 806.1.e and 905.7.b)

This agreement represents a covenant between the staff and members of the CT and GCFA to work collaboratively and transparently in all matters relating to the general church budget.