

**REPORT OF THE BOARD OF GENERAL MINISTRIES FINANCE COMMITTEE  
TO THE BOARD OF GENERAL MINISTRIES  
NOVEMBER 2015**

The following is an overview of the work of the Board of General Ministries Finance Committee:

**I. Proposed Budget for 2016**

The committee reviewed the proposed 2016 ABCUSA budget prepared by staff. It voted to recommend adoption of the budget by the Board of General Ministries.

**II. Legacies and Gifts** - The following legacies and gifts have been received for ABCUSA.

January 2015 to October 2015:

American Baptist Foundation               \$52,790.42

The Minneapolis Foundation   \$9,082.38

**III. ABCUSA Treasurer's Report**

The Committee reviewed the Report of the ABCUSA Treasurer, including:

Building Update:

- 588 Associates update, tax appeal update
- Voted to affirm the current negotiations for the resolution of the tax appeal

Transformed By The Spirit – Reviewed financial status of TBYTS

Financial Report as of 9/30/2015

ABMS Report as of 9/30/2015

**IV. Investment Policy**

No progress since June meeting. Paul and Robin will continue working on a revised investment policy.

**V. Budget for Development Office**

After reviewing the budget and the year-to-date financials, questions arose about the recording of income generated by the Development Office. In 2015, all gifts generated by that office have been recorded as income elsewhere within ABC/USA. As a result, the Development Office financial report shows no income, even though over \$230,000 has been raised. The committee asked Ken Marsenburg to join them to discuss this situation and the possibility that people could misconstrue the financial reports, thinking there had been no money raised.

Ken met with the committee at a later session and brought along David Gnirk. Donors continue to prefer to give gifts that are restricted for a particular purpose. If any gifts were unrestricted, they could be posted as income in the Development Office, but that is unlikely to happen. The income shown in the Development Office budget is essentially a placeholder. It represents the income that is expected to come in and is shown in Development because we can't predict where donors will designate the funds. As a result, other departments will likely have more income than budgeted (due to the addition of gifts raised by the Development Office) while the Development Office will likely have less income than budgeted (due to monies raised being recorded elsewhere).

It's important for BGM Finance Committee members to be clear on this reporting anomaly so they can better respond to questions from BGM members and other constituents. A financial statement that shows no income for the Development Office does not mean that there was no money raised. It was agreed that an appropriate footnote to the financial statements would be helpful.

**VI. Multi-Life Benefit Plans**

After the committee told staff in June they could continue to explore the potential benefit of multi-life benefit plans, Ken Marsenburg and Alan Musoke presented their findings at the September BGM Executive Committee meeting. Paul informed the Finance Committee that the Executive Committee then voted that staff not pursue this potential income source.

**VII. Review of Regional Audits**

Paul presented a report showing the audits, compilations, reviews, and internal financial statements received from each region that provided such reports for 2010-2014. Seven regions have supplied 2014 financial reports, reviews, compilations or audits. Four regions provided no reports for any of the past five years. Concern was expressed about the regions who have not been fulfilling their Common Budget Covenant reporting requirement. Paul, Alan, and Iris will work to remind regions of this responsibility and the potential consequences of non-compliance.

**VIII. Mission Receipt Forms**

Alan shared with the committee the final revision of the updated mission receipt forms used by churches to report ABMS giving. The new forms will be distributed to churches next week for use beginning in January 2016. The ABCUSA website will also include a PDF version of this form, along with instructions (both brief and in-depth versions) for completing the new form.

Twelve regions have been using their own version of the mission receipt form and will continue to do so. As a result, the Treasurer's Office is mailing the new form only to churches in the other twenty-one regions.

**IX. Board-Designated Funds**

Robin related that a BGM member had asked him about the Net Assets line on the Balance Sheet report labeled "Unrestricted: Board Designated." The Board of General Ministries has not voted to designate any funds, so these designations must have been made by the General Board. What makes up these board-designated funds? Alan shared that the largest component is the Building Proceeds Endowment. At the committee's request, Alan will provide a list of the various board-designated funds by the June 2016 BGM Finance Committee meeting. This will allow the committee to review if the designations are still appropriate and if any of the funds could be used to support the work of BGM.

**Submitted by:** Paul Higgins, Budget Review Officer; Robin Crouch, Beryl Hornberger,  
Charity Matic and James Wolfe; Alan Musoke, ABCUSA Treasurer;

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**Review of Mission Initiative Fund grants**

At its August 4 meeting, the committee approved a request for funding from the UM AD Team. Because this project had already begun and was approved outside the normal request schedule, it will be necessary to inform the Board of General Ministries of these exceptions to the Mission Initiative Fund guidelines. (The BGM was informed on November 13, 2015.)

The committee considered a proposal for funding of a new Creation Justice Network. The proposal was sponsored by the General Secretary and was represented by Rev. Tom Carr and Rev. Dr. Ian Mevorach, who together led the Mission Summit Biennial workshop on creation justice earlier this year. The proposal was not approved.

The committee considered a question from ABC of the Dakotas and First Baptist Church of Huron, SD regarding a grant previously awarded for which the funds were not completely spent. In June, the committee chose to ask FBC Huron to submit a new proposal for the use of the remaining funds, considering the original intent and any updated objectives and measures. Due to the departure of the pastor at FBC Huron, ABC of the Dakotas suggested that the committee grant a six-month extension. The committee agreed to extend this deadline to April 1, the normal deadline for proposals to be reviewed at the June 2016 meeting.

**Allocation of United Mission**

The committee continued its ongoing discussion regarding the distribution of the “national portion” of United Mission giving. In response to the committee’s request of the BGM Executive Committee for guidance and priorities in reformulating the distribution, the BGM Executive Committee requested that there be no change in the distribution formula. The BGM Executive Committee wishes to delay any changes until there has been opportunity for more discussions at the national leadership level.

Accordingly, the committee, after discussion about its role and the consequences of inaction, approved the distribution of the national portion of United Mission for 2016, as proposed by staff using the same methodology as in previous years. The committee also expressed its desire for discussions to continue among the national partners.

**Submitted by:** Paul Higgins, Budget Review Officer; Robin Crouch, Beryl Hornberger, Charity Matic, Brazilian Thurman, Paul Vick and James Wolfe (Danny Jack was absent); Alan Musoke, ABCUSA Treasurer

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