

**REPORT OF THE BOARD OF GENERAL MINISTRIES FINANCE COMMITTEE
TO THE BOARD OF GENERAL MINISTRIES
NOVEMBER 2016**

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

- I. Retention of Auditor for 2016 financial audit**
The committee voted to once again retain Tait Weller to perform the 2016 financial audit. Paul Higgins, as chair of BGM's Audit Committee, is to sign the audit engagement letter as the committee (and governance) representative.
- II. Legacies and Gifts -** The following legacies and gifts have been received for ABCUSA.

May 2016 to October 2016:
American Baptist Foundation \$17,534.81
- III. ABCUSA Treasurer's Report**
The Committee reviewed the Report of the ABCUSA Treasurer, Alan Musoke, including:
Transformed By The Spirit
Financial Report as of 9/30/2016
ABMS Report as of 9/30/2016
- IV. Investment Policy**
Paul presented a draft of a new investment policy to replace the policy adopted in 1997. This policy has been reviewed by Robin Crouch and Alan Musoke. It also incorporates suggestions from Dave Moore, Director of Investments for ABHMS. We are looking for additional suggestions from committee members and from Perkin Simpson, Executive Director of the American Baptist Foundation. The goal is to adopt the new policy at our June 2017 meeting.
- V. Investment Review**
The committee met (separately) with Dave Moore from ABHMS and Perkin Simpson from ABF regarding ABCUSA's investments with each organization. The two organizations gave presentations that focused on their investment strategies, suppliers of investment services, investment philosophy and historical returns. Alan reminded the committee that ABCUSA has an agreement to invest \$10 million with ABF. In return, ABCUSA receives a percentage of the undesignated gifts that ABF receives. As noted above, ABCUSA received over \$17,000 over the past six months due to such gifts.
- VI. Building Proceeds Endowment draw rate**
In keeping with the proposed 2017 budget and New York state institutional funds law, the committee voted to increase the draw rate from the Building Proceeds Endowment from the current rate of 4% to a new rate of 4.5% beginning in 2017.
- 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 2010-2015. Seven regions have supplied 2015 financial reports, reviews, compilations or audits. Four regions provided no reports for any of the past six years.
- VIII. Mission Initiative Fund Grant Request**
As previously scheduled, the committee recessed to allow the ABCUSA Finance Committee to review a proposal for a Mission Initiative Fund request from Grace Baptist Church of San Jose, CA. Though the ABCUSA Finance Committee members from ABHMS and IM failed to participate, there was a quorum

sufficient to act. The committee voted to approve the proposal.

Submitted by: Paul Higgins, Budget Review Officer; Robin Crouch, Beryl Hornberger, Charity Matic and Dianne Steelman (Danny Jack was absent); Alan Musoke, ABCUSA Treasurer;

November 19, 2016

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November 2016

Review of Mission Initiative Fund grants

At its October 19 meeting, the committee approved a request for funding from the team planning the 2017 Orientation to American Baptist Life. The grant funding will allow the team to try a new model and strategy for OTABL. As Mission Initiative Funds are one-time grants, alternate funding will need to be found if the new model is to be repeated.

At its November 19 meeting, the committee approved a request from Grace Baptist Church of San Jose, CA to fund a new winter shelter for the homeless, with funding to be provided over three years.

Allocation of United Mission

The committee continued its ongoing discussion regarding the distribution of the “national portion” of United Mission giving. There was great concern over the continued decline in funds available to national American Baptist partners. Some committee members expressed frustration over the lack of information provided regarding the various components of the “national portion” of United Mission. A request was made that a budget narrative be provided explaining how the funds were to be used and why they were needed for each of the various components. Paul Higgins, as chair, said he could not commit staff to produce such a narrative but that he would endeavor to compile such a document.

The committee voted to approve the staff recommendation for the distribution of the “national portion” of United Mission giving, following the same allocation formula as used in previous years. However, the vote was not unanimous.

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

November 19, 2016