

## PROPOSED CHANGES TO WORLD RELIEF COMMITTEE POLICY

**SECTION 10.2 PROCESSING PROJECT REQUESTS.** All development grant applications will be received by and come to the committee for consideration from either ABHMS (for projects to be undertaken domestically) or IM (for projects to be undertaken outside of the US/PR). The responsible staff within ABHMS and IM will ensure that project applications are completed in accordance with the guidelines established by the WRC. Completed grant applications will be provided to the World Relief Officer for submission to the WRC.

*BGM Executive Committee: Please add that ABCUSA may submit proposals as well. From time to time, ABCUSA has submitted proposals. The executive committee wishes for that to remain an option.*

*WRC Response: There is an annual allocation of OGHS funds for "Ecumenical Commitments". Those funds are currently allocated primarily to the ministries of Church World Service (primarily it's immigration and refugee ministry and its development and humanitarian assistance ministry), and to a much lesser extent the World Council of Churches (for their refugee and migration ministry), the ACT Alliance (for its relief and development ministries) and IMA World Health (for its public health ministries). The current annual allocation for Ecumenical Commitments is \$203,800 and provides for operating support for these orgs, not funding for specific projects. All of the above commitments are currently listed on the Annual Projects listing of the policy.*

*Proposed Change from WRC: That the General Secretary makes the funding decisions related to the allocation for Ecumenical Commitments. These decisions would be made on an annual basis and therefore funding for proposals that the General Secretary wishes to fund that relate to other relief, development, and refugee ministries would be included here.*

*Executive Committee Response: That the General Secretary makes the funding decisions related to the allocation for Ecumenical Commitments. These decisions are made on an annual basis. In addition, funding for proposals that the BGM through the General Secretary wishes to have the WRC consider will also be submitted for consideration. (This is the amended version voted by the Executive Committee on September --, 2015.)*

**SECTION 11.1 RECEIPT OF FUNDS.** All undesignated One Great Hour of Sharing offerings should be sent through normal American Baptist Mission giving channels. Those funds are received by the Office of the General Secretary's Treasurer's Office and held in an account there. Exception: When there is a disaster of special concern to either IM or ABHMS, the relevant Board will be permitted to have funds designated for that specific disaster relief sent directly to them, as long as those funds are recorded as OGHS when received.

*BGM Executive Committee: The executive committee does not support the change in this section from current policy that all OGHS funds go through the ABCUSA treasurer's office. The executive committee believes that this will lead to confusion in the churches and that the current system which is clear to local churches and church treasurers is best. The exception clause should be removed.*

*WRC Response: Lisa met with Roy on November 11, 2014 to talk through this issue. In the case of extraordinary disasters (Haiti earthquake, Japan tsunami, Philippines typhoon) churches and individuals have given directly to IM. IM has accepted those donations and receipted and classified them as OGHS--all in an effort to best serve and recognize how churches and individuals want to give. Lisa reviewed for Roy that the majority of designated OGHS funds continue to go through normal giving channels. The following is the % of designated monies that went directly to IM in the following situations:*

*Haiti Earthquake (January 2010) – 23% directly to IM*

*Japan Earthquake/Tsunami (March 2011) – 19.6% directly to IM*

*Philippines Typhoon (November 2013) – 18% directly to IM*

*The IM and ABHMS websites both have the functionality to quickly make giving for these extraordinary situations easy and accessible and provide avenues to be responsive to the giving direction of some of our constituents. Donors have expressed the desire to contribute directly to IM/ABHMS so that their funds are readily available to meet immediate needs of those affected by the disaster. This option in no way detracts money or donors from OGHS, as all gifts are recorded in ABCIS (the American Baptist Churches Information System) using OGHS codes in the exact same way regardless of their point of entry.*

*Proposed Change from WRC: Based on this information and conversation with Roy, we ask that the Executive Committee support the continuation of modes of giving that are responsive to our constituency while still maintaining the integrity of the OGHS offering.*

*Executive Committee Response: (To be discussed with the World Relief Committee and Lisa Rothenberger at the November Executive Committee meeting.)*

**SECTION 12.1 FUNDS RETAINED BY OTHERS: Any Regional Office, ABHMS, or IM that retains funds given for a designated purpose shall furnish the World Relief Committee with an annual financial report on the disbursement of those funds. Any unused funds are to be returned to the OGHS account maintained by the Office of the General Secretary's Treasurer's Office. Under no circumstances can these funds be redirected for another purpose without the prior approval of the World Relief Committee.**

*BGM Executive Committee Suggest changing heading to Unused Funds. There was some confusion here by the executive committee. It looked within these policies for a statement as to how regions might retain funds and found none. Is there such a practice now? Also with the changes in sections 11.1 and 11.2, neither ABHMS nor IM would retain funds. So it is suggested to change the rest of paragraph to read, "Any Regional Office, ABHMS, IM or ABCUSA that receive funds given for a designated purpose shall furnish the World Relief Committee with a financial report on the disbursement of those funds." [The rest of that section remains the same]. The committee suggests you consider establishing a date certain for the return of unused funds with the option of the recipient agency making a case for retaining on a year-by-year basis after that deadline. Also, the observation was made that the ABC agencies are required to report but most often they are passing through the funds to other partners and agencies. Is there no requirement for these organizations to report their use of funds with unused funds being returned by them and that in turn being reported to the WRC by the ABC recipient agency?*

*Is it understood that these accountability requirements apply not just to development projects but to relief and refugee-related projects as well?*

*We would like to encourage the WRO and the committee to consider establishing a common reporting form based on best practices in faith-based relief and development ministries for projects funded by the WRC.*

*WRC Response:* Yes, funds are currently and routinely retained by Regions, IM and ABHMS. This has been allowed in practice for over 20 years. (Note: The World Relief Office maintains records on OGHS back to 1995. Those reports show that funds were being retained at that time.) The rationale is that this enables those closest to meeting an emergency need to have access to the funds given to them directly for the need. (i.e. a Region can only retain funds that are given by churches in their Region. In the case of Hurricane Sandy, ABCNJ was able to retain funds given by churches in NJ designated as OGHS-Hurricane Sandy.)

To help explain the magnitude of what level of funds are being retained each year, which has varied greatly, the following are the totals of all OGHS funds retained by Regions, IM and ABHMS in 2010-2014:

2010	\$869,995 total (approx. \$631,000 for Haiti by IM, \$200,000 for Haiti by ABC of Metro NY)
2011	\$152,995 total (approx. \$95,000 for Japan tsunami)
2012	\$121,068 total (approx. \$65,000 for IN tornados, \$29,000 for Hurricane Sandy)
2013	\$80,780 total (approx. \$26,000 for Philippines typhoon, \$14,000 for OK tornados, \$14,000 for Hurricane Sandy)
2014	\$62,521 total (approx. \$50,500 for Philippines typhoon)

To date we have been operating whereby if an organization retains funds, it is their responsibility to be accountable for those funds it passes on and is expected to receive accountability from them. This can be made more explicit in the Policy manual if desired.

In conversation between Roy and Lisa on November 11, 2014, Roy requested that it be written into policy that any funds retained by the Region to IM/ABHMS can be kept for 2 years. After 2 years they would need to state the plan for the use of remaining funds. (We want to set an expectation that funds can't be kept indefinitely without a plan for their use.)

Roy also requested that we develop a report form for disaster funds that are retained. Anyone who retains funds must complete this. We would develop the report to be reasonable, not onerous, and require that it be completed on an annual basis.

*Proposed Change from WRC:* : That the two requests made above by Roy are incorporated into the "Funds Retained by Others" section. NOTE: It was noted by the Committee that the WRO has very little "teeth" in terms of requiring reporting or what to do if reporting is not submitted. The practice of being able to retain funds would need to be changed at the Common Budget Covenant level, we believe, as it is through ABCIS that entities are able to retain funds. If they don't complete the required reporting we don't have recourse---only goodwill, to encourage compliance.

***Executive Committee Response:*** The Executive Committee decided that the policies will contain the following: National and Regional boards that are allowed to retain OGHS funds must report to the World Relief Committee what funds were expended and for what purposes. In addition, funds can be retained for up to 2 years. After that the receiving entity must either return funds to the World Relief Committee or request of the World Relief Committee the ability to retain funds for up to another two years. The request will stipulate how the retaining agency intends to use funds, honoring the original purpose for the funds.

***The World Relief Officer and Chair of the World Relief Committee shall report to the Board of General Ministries the activities of the World Relief Committee and distribution of OGHS monies by the June board meeting each year.***