Mission and Ministry Board – Minutes

Saturday, October 19

Members present: Patrick Starkey (chair), Carl Fike (chair-elect), Thomas Dowdy, Lois Grove, Heather Gentry Hartwell, Dava Hensley, John Hoffman, Paul Liepelt, Diane Mason, Joel Peña, Roger Schrock, Colin Scott, Christina Singh, Carol Yeazell

Ex Officio Paul Mundey (moderator), David Sollenberger (moderator-elect), James M. Beckwith (secretary), Bill Scheurer (OEP executive director), Cindy Sanders (Council of District Executives representative)

General Secretary: David Steele

Members absent: Lauren Seganos Cohen, Marcus Harden, Paul Schrock

Ex officios absent: Jeff Carter (Bethany president), Nevin Dulabaum (BBT president)

Recorders: Ed Woolf and Nancy Miner

On Friday, October 18, the Mission and Ministry Board voting and ex officio members met in closed session for a time of teambuilding and to receive updates from the general secretary.

On Saturday, October 19, Patrick Starkey, chair, called the open session meeting to order.

He welcomed new members Heather Hartwell, Roger Schrock, and John Hoffman and noted the absence of new board member Lauren Seganos Cohen, who had a schedule conflict prior to agreeing to serve on the board; continuing board members Paul Schrock, who had a commitment prior to joining the board, and Marcus Harden, who was present on Friday but needed to return home; and ex officio members Nevin Dulabaum and Jeff Carter.

He invited board members to introduce themselves. David Steele introduced the new BVSer in the Office of Peacebuilding and Policy, Susu Lassa, and new systems specialist, Andie Garcia, and invited other Church of the Brethren staff present at the meeting to introduce themselves.
Guests present included Tom Hostetler (La Verne Church of the Brethren) and Joe Detrick (recent interim staff); Bethany Theological Seminary Ministry Formation guests Mary Garvey, Jason Haldeman, Steve Headings, Chuck Jackson, Eric Kauffman, Matt Rittle, Vivek Solanky, and Dan Poole (faculty).

Patrick Starkey introduced the consent agenda:

- Approve meeting agenda
- Approve MMB minutes
  - July 3, 2019, meeting
  - September 30, 2019, GFI allocation action
  - October 3, 2019 EDF allocation action

The Mission and Ministry Board had consensus and accepted the consent agenda as presented.

Dava Hensley led the opening worship. She read Romans 8:14, “For all who are led by the Spirit of God are children of God.”

She talked about the importance of navigation in knowing what direction to go, and how we can now rely on a system of navigational satellites known as the Global Positioning System (GPS). She noted that what technology has done for our physical navigation, God can do for our spiritual navigational system. God’s Positioning System never fails, and God’s spirit guides us in the right direction and position we are to be in as the Church.

David Steele brought the General Secretary’s report.

September 1 marked the beginning of his fourth year as general secretary. David expressed gratitude for the opportunity to serve. He noted that in the coming weeks, several staff will be recognized for 5, 10, 15, 20, and 25 years of service to the Church of the Brethren.

He noted three current vacancies: director of Intercultural Ministries, office manager for Global Mission and Service, and executive director of Organizational Resources/CFO. He expressed gratitude to assistant treasurer Ed Woolf for the leadership and oversight he has provided to the finance team.

In the absence of an executive director of Organizational Resources/CFO, David is providing oversight to Brethren Historical Library and Archives, Information Technology, and Buildings and Grounds. There has been interest in the position, but the right person has not yet emerged.
He provided the following updates:

- HVAC updates are complete
  - The technician still doing fine tuning
  - Some unplanned discoveries along the way
  - On target to finish within the capital funding amount approved by the board

- No movement on the east-end property that is for sale
  - fully aware that it will take a while

- Exceptionally full schedule since Annual Conference
  - Attendance at district conferences has been a priority; six to date, with two more scheduled
  - Other travel included NOAC, ANE/SoPA Disaster Relief Auction, Heifer International celebration in Puerto Rico, meeting with ABC leadership
  - Upcoming travel includes preaching and leading a session at Beacon Heights in Northern Indiana, and the Global Church of the Brethren gathering in Nigeria

He reflected on his time as general secretary, noting three themes that have defined his work and ministry:

1. Oversight of staff, ministries, and programs
2. Issues of authority and accountability
3. Compelling Vision process

Themes 2 and 3 have been woven together, balancing accountability and authority with visioning for the future. He has been energized by the conversations that emerge as data is collected from across the church.

Some continue to be unhappy, feeling the “elephant in the room” is not being addressed. A group calling itself the Association of Brethren Churches (ABC) has emerged. David and Paul Mundey have met with ABC on behalf of the Leadership Team. It is clearly a movement that is giving serious consideration to separating from the Church of the Brethren.

Leadership Team is working with the Council of District Executives to talk about what this means. From conversation with the district executives, it has not been David’s sense that there are a lot of churches ready to leave.

The Compelling Vision conversations have provided a breath of fresh air, showing that we have much more in common than some would like to believe.
As noted in the recently released report of the Compelling Vision team, the purpose of the conversation was “to change the focus and tone of our internal discourse, attending to God's Spirit moving among us, intentionally seeking to identify that which unites us and to discern that which God is calling us to be and do as the body of Christ in these times.”

Patrick thanked David for his report and reminded board members of the makeup of the Leadership Team: Annual Conference officers, the general secretary, and a representative of the Council of District Executives. The Annual Conference director also meets with the Leadership Team.

Patrick Starkey gave a report from the previous day’s Executive Committee closed session meeting. The committee:  
- Was led in a time of devotions by Colin Scott  
- Heard a report on exit interviews conducted in July with departing board members  
  - Second year of this practice  
- Was reminded of the format and logistics for the general secretary’s annual performance review, to be conducted in March  
- Discussed a proposal regarding Brethren Faith in Action Fund grant oversight  
  - Grant oversight committee chair Diane Mason joined the committee for part of the discussion  
  - Discussed a formula for determining funds available  
  - Discussed guidance for a schedule for disbursement of funds  
  - Will bring a recommendation to the full board this meeting  
- Reviewed 2001 Annual Conference Statement on Litigation  
  - Discussed ways to encourage alternative forms of dispute resolution  
- Advised by the general secretary on a staff initiative to redefine the National Youth Conference fund to cover all Youth and Young Adult events  
  - Will be on the full board agenda  
- Received updates from the general secretary on  
  - Elgin east end property sale  
  - Goings on in the Church of the Brethren  
  - Staffing, human resources, and risk management  
- Discussed the Living Together as Christ Calls assignment and its new team  
- Received a preview of the 2020 Budget and acted to recommend it to the board at this meeting  
- Approved housing allowances for ordained staff

Patrick reported on the previous day’s Mission and Ministry Board closed session. The board:  
- Spent time getting acquainted and building relationship
• Received updates from the general secretary
  o Staff vacancies, property, etc.
  o Updates on “goings on” in the Church of the Brethren, including hopefulness even with a secondary narrative
• Learned that the March 2020 meeting agenda will include discussion on percentage draw from the Brethren Service Center quasi-endowment
• Received a preview of the 2020 budget

2019 Financial Update
Ed Woolf, assistant treasurer, brought the 2019 financial update.

Net Assets:
New accounting standards in 2018 changed net asset classifications from 3 categories (unrestricted, temporarily restricted, and permanently restricted) to 2 categories (without donor restriction and with donor restriction).
  • Helps to address complexity in net asset classifications
  • Provides clarity regarding liquidity and availability of resources

Assets without donor restriction include:
  • Core Ministries
  • Land, Buildings, & Equipment funds
  • Self-Funding Ministries
  • Designated Funds

Assets with donor restriction include:
  • Split-Interest Agreements
  • Emergency Disaster Fund
  • Global Food Initiative
  • Emerging Global Mission Fund
  • Others (including Haiti Medical & Ministry Assistance, our endowments, and some perpetual trusts)

Ed highlighted the dashboard handout as of September 30, 2019, noting:
• Total net assets increased by approximately $194,000 from this time last year
• At $38.5 million, net assets at highest total in last five years
• Increase in assets with donor restrictions primarily due to increase in special purpose funds and other restricted donations/investments from last year
• Decrease in assets without donor restrictions primarily due to lower designated fund balances and fewer grants from last year
• Balance sheet remains mostly liquid
  o 53% of net assets are without restriction
As of our 2018 audit, we have approximately 26 months of expendable reserves (benchmark is 5 to 6 months)
• We continue to be in a very healthy and favorable position with net assets (both in total amount and flexibility)

**Investment Balance:**
• Investments increased approximately $377,000 from this time last year
  o At $33 million, investments at highest total in the last five years
  o Increase primarily due to market gains

**Cash Balance:**
• Cash balance has decreased approx. $158,000 from this time last year
• Cash balances tend to increase as year-end giving picks up
• We have healthy cash balances at both operating banks (Elgin and New Windsor)
• No concerns from auditors as Church of the Brethren has good liquidity

**Donors (All Giving Categories):**
• 634 donor congregations through September
  o Lowest number over the last five years
  o Slightly down from 700 average over the last five years
• 1,530 individual donors through September
  o Lowest number over the last five years
  o Well below 1,800 average over the last five years
• A couple of significantly high donor number years with Hurricane Response and Nigeria Crisis Fund giving threw off the averages
• 2,164 total donors through September
  o Close to last year’s total, but lowest total over the last five years and below five-year average of 2,500 donors

Two full-time staff are intentionally focused on donor visits and increasing their efforts to steward donors for less than a year. Because of the increased intentionality, we anticipate our donor participation numbers will increase in the coming years

There have been eight appeals to date, with 12 total appeals planned for the year. A Giving Tuesday appeal and a year-end giving email appeal are also planned.

Mission and Advancement staff will be trying a new method of “eAppeals” in November or December, targeting specific groups with a passion for a particular missions/ministry/project.
Core Ministries Giving:
- Giving from congregations is down approximately $75,000 from this time last year
  - Down from five-year average of $1.4 million received by this time of the year
- Giving from individuals is up approximately $1,000 from this time last year
  - Very close to our five-year average of $260,000 received by this time of the year
- Total giving is down approx. $74,000 from this time last year
  - Lowest giving total in the last five years
  - Total giving down from five-year average of $1.6 million received by this time of the year

Ed reviewed the Giving Summary as of September 30, 2019:

Congregational Giving:
- Congregational giving to Core Ministries is $185,919 behind budget
- Actual gifts received for Core Ministries during the fourth quarter over the last three years is $623,000
  - Unless we receive more than the average for the last three years, we will fall short of budget for congregational giving
- Offering gifts totaled $125,000 (335 gifts)
  - Fewer number of gifts, but giving up $5,000 from 2018

Individual Giving:
- Individual giving to Core Ministries includes the Annual Conference offering ($12,000)
- Individual giving to Core Ministries is $24,000 behind budget
- Actual gifts received for Core Ministries during the fourth quarter over the last three years is $256,000
  - If we receive average for the last three years, we should be very close to budget for individual giving
- Web giving was almost $54,000
  - Up $10,000 from 2018
  - Second year using GivingFuel web platform
- Monthly recurring donors increased from 12 in 2018 to 28 in 2019
- Total individual giving was down $323,000 from 2018
  - Largely due to decrease in bequest income and decreased giving to Global Food Initiative (GFI) fund

Combined Giving:
- Total combined giving to Core Ministries down $74,000 from 2018
  - 80 fewer donors and 280 fewer gifts than 2018
• Combined giving to Restricted Funds down $100,000 from 2018
• Received 2 large gifts for GFI fund in 2018 that weren’t received in 2019

Bequests:
• A $573,000 unrestricted bequest received in early October is not reflected in this report
  o Over $952,000 received in unrestricted bequests to date
  o Average annual unrestricted bequest amount over the last nine years is $671,000
• Unrestricted bequests fund the Bequest Quasi-Endowment fund that we take a 17% draw from to support Core Ministries
• Over the last nine years, the Bequest Quasi-Endowment balance has sustained its balance
  o Our average annual bequest ($671,000) plus average market fluctuation ($361,000) outpaces our average draw ($1,008,000)
• Balance in Bequest Quasi-Endowment fund is $3.9 million*
  *Does not include the $573,000 bequest just received

Total Combined Giving to all Ministries:
• Total combined giving down approximately $427,352 from 2018
• 49% of all gifts went to Restricted Funds and 41% to Core Ministries
• Second highest total in last three years and very comparable to 2016 and 2017 totals; 2018 was higher with increased bequest income and EDF/GFI giving

Ed reviewed the Income and Expense reports as of September 30, 2019:

Core Ministries Income:
• Approximately 35 fewer congregations gave 100 fewer gifts than in 2018
• Individual giving to Core Ministries is $24,000 behind budget when Annual Conference offerings are considered
• Approximately 45 fewer individuals gave 180 fewer gifts than in 2018
• Budgeted to use $117,000 in designated funds (year-to-date) to offset 2019 budget, but have not used any designated funds as of September 30
  o If needed, will make a transfer at year-end

Core Ministries Expense:
• Mission Advancement is underspent by $138,406, due to unspent campaign funds ($45,000) and staff saving money on travel and lodging by staying with donors
• Discipleship Ministries is underspent by $72,301, primarily due to unfilled Intercultural Ministries position
• Age-Related Ministries is underspent by $74,287, primarily because NOAC expenses not fully realized in September
  o Final invoice from Lake Junaluska paid in October ($64,401); currently $9,800 underspent
  o Surplus will be transferred to NOAC designated fund

All Ministries Income and Expense:
Core Ministries is $60,091 ahead of budget
• Director level expenses way under budget due to open positions, some program restructuring, and some travel savings
Brethren Press is $17,617 below budget
• Lower than expected sales at Annual Conference and NOAC
• Timing with new inventory system has been an issue – August income was slightly inflated, and some additional costs were realized in September (making September a truer picture)
• Hopefully income will increase as we have fall curriculum, devotionals, and Yearbook sales coming up in the last quarter
• Sales of Shine curriculum are growing
Brethren Disaster Ministries is $175,751 below budget
• This amount represents grant money spent to date in 2019 – UMCOR and US Virgin Islands
Material Resources is $58,214 below budget
• Brother’s Brother shipped only one container in September, which is unusual
• Additional income coming in October, as it is a big month for volunteers and kit processing
Annual Conference Office is $84,193 over budget
• Some Annual Conference expenses still to be paid
• Do not expect high income over expense for 2019; should be closer to budget at year-end

Net Asset Balances:
Core Ministries net asset balance of $1,508,287
• If net assets fall below $1.5 million at year-end, we will do a transfer to bring balance above $1.5 million (per financial policies and auditors)
Brethren Press net asset deficit balance of ($527,899)
• Represents an accumulation of losses over many years
  o More than half of this deficit resulted from interest charges, which the board discontinued in 2012
• Changing over to a 9% contribution on gross sales has not covered annual deficit gap
Brethren Disaster Ministries net asset balance of $19,052
- Represents $25,000 grant for Carolinas Hurricane Matthew response (Central Carolina Community Foundation)

Material Resources net asset deficit balance of ($56,519)
- Remainder of year could depend on how many containers Brother’s Brother ships

Conference Office net asset balance of $578,344
- Accumulation of surpluses from previous conferences; can be used for future conferences when a shortfall is expected

Total Operations net asset balance just over $1.521 million

Emergency Disaster Fund:
- EDF transferred $100,000 to BDM LB&E Fund to purchase equipment in 2020
- Balance unusually high due to recent hurricanes and Nigeria Crisis Response giving
- Balance will be drawn down as we continue Hurricane Maria recovery in Puerto Rico and the Nigeria Crisis Response

Global Food Initiative Fund:
- More grants given out this year than in the past seven years
- Low balance directly connected to major support of Puerto Rico

In conclusion, Ed summarized:
- We are reminded that the Church of the Brethren is in a very strong position when it comes to net asset balance and liquidity.
- We are thankful to the Brethren Foundation for their diligent oversight and management of our investments, of which we are currently experiencing a five-year high.
- We are concerned that overall giving to Core Ministries is declining and that we may fall short of this year’s budget.
- We are grateful that donors are increasing their giving to restricted programs and faithfully contributing to the ministries they feel most passionate about.
- We celebrate that Core Ministries is ahead of budget and that we haven’t needed to use any designated funds yet.
- We remain concerned about the growing net asset deficit balances for Brethren Press and Material Resources.
- We are thankful for our relationship with the Brethren Foundation, humbled by the generosity of our donors, and truly blessed to have a devoted staff that carefully steward the resources entrusted to them.

Patrick Starkey introduced a proposal regarding the repurposing of the National Youth Conference (NYC) fund. He explained that because the fund is not a board-designated fund, the proposal does not require board action. However, staff wanted the board to be aware and they welcome Youth and Young Adult conference fund (Exhibit 3)
feedback on the direction of the proposal.

David Steele gave background on the fund and how the change in practice would affect the budget. With diminishing attendance at NYC over the years, the fund has been strained. The fund has also been used to support the salary of the director of Youth and Young Adult Ministries. As a result, the fund will continue to diminish over time.

Other Youth and Young Adult conferences/events affect the Core budget, stressing it when there is a deficit in conference expenses and supporting it when events are profitable.

By repurposing the fund, it can serve as a pressure valve for all Youth and Young Adult events. Beginning in 2020, the director’s salary will no longer be supported by this fund, but by Core ministries.

The board indicated affirmation of the direction proposed.

Ed Woolf reported on recent changes to the financial policies, which come as a recommendation from the Audit and Investment Committee requiring board approval.

The changes are being made to reflect current accounting standard updates, our current practice, and our terminology, and most are already being implemented.

Ed highlighted changes in the exhibit, noting the following corrections and additions to the document:

1. Summary of Changes page
   - Change “Page 4-5 Legal Matters” to “Page 5 Legal Matters”
   - Change “Page 11 Real Property” to “Page 12 Real Property”
2. Page 12, under “Real Property”
   - Add “as needed” at the end of the sentence

Patrick reminded board members that the financial policies document is available in the Governance and Resources folder of the board’s SharePoint site.

The Mission and Ministry Board had consensus and affirmed the changes to the financial policies as presented.

Bill Kostlevy, director of the Brethren Historical Library and Archives, gave a presentation titled Multiple Visions: One Church. The presentation was a board development training event arranged by the Board.
Development Committee.

Bill expressed appreciation for the board’s support of the archives and the privilege of working there.

He noted declension narratives throughout Brethren history, including visions of otherworldliness, service, mission, and neo-Anabaptism, citing stories and writings that illustrate the sources of tension and institutional change across the years.

Board members discussed what Bill had shared and how it relates to the struggles the church faces today.

Colin Scott shared photos and stories from a Church of the Brethren workcamp he attended in China as a board member growth event.

Six young adults, four from Pennsylvania and two from the Chicago area, participated in the workcamp, along with Emily Tyler and Jay Wittmeyer. Most of their time was spent in Pingding, where they worked at a hospital with a nutrition program enabled by a Global Food Initiative grant.

The group spent much of its down time in the hospital’s Flory Café, named in honor of Mary Jo Flory-Steury and her parents, who had served as missionaries in China. They also visited the initial site of the hospital started there by the Church of the Brethren.

Colin noted the vibrant community they experienced and the hospitality they enjoyed in host homes, and expressed appreciation to the board for supporting his participation in the workcamp.

Diane Mason provided the Audit and Investment Committee report:

Committee members are Diane Mason (chair), John Hoffman, and Roger Schrock.

In the previous day’s meeting, the committee:

- Received an investment report from Brethren Foundation staff
  - Currently experiencing the longest running, second strongest Bull Market in history; reminder that the market is more volatile during presidential elections
  - Some upturns and downturns in 2019, but after operating expenses and fees, our investments show 12% growth
- Reviewed fund investments, asset allocations, portfolio performance, and service fees as of September 30, 2019
  - Most of our investments are outperforming the 10-year benchmark

Young Adult
Workcamp report – China

Audit and
Investment
Committee report
• Reviewed and approved a summary of changes to the financial policies
• Received an update on the 2019 audit process
  o Negotiated a third three-year contract with BKD auditors
    ▪ No increase in price from previous agreement
• Received an update on the church loan funds
  ▪ All previous loans will be zeroed out and will not appear on future financial statements

Diane reminded board members that Brethren Foundation’s Brethren Values Investing uses Annual Conference statements as its guidelines.

Ed Woolf brought the 2020 Budget proposal.

He reminded the board that the income parameter was approved at the July meeting, and staff have prepared budgets within that parameter.

He highlighted the proposal, noting that it includes:

- $312,000 Ministry Enablement Contribution to Core Ministries, which consists of
  - $195,000 from Emergency Disaster Fund
  - $24,000 from Global Food Initiative Fund
  - $53,000 from Brethren Press
  - $6,000 from Emerging Global Mission Fund
  - $34,000 from other restricted giving
- Budgeted transfer of $121,000 from designated funds to support Core Ministries
  - Down from $156,000 transfer planned for 2019
  - Have not used any designated funds transfer yet in 2019
  - Could plan to use Church Note/Letter designated funds in 2020 if not used in 2019
- 1% cost of living adjustment for all employees
  - COLA was 1% in 2019 and 1.5% in 2017 and 2018
  - $22,000 increase from 2019
  - Inflation rate continues to hover around 2%
- Employer contributions to employees’ HSA accounts:
  - $1,000 for individuals and $2,000 for families
- 4% medical insurance cost increase for 2020
  - Approximate $18,000 increase from 2019

Core Ministries select income changes compared to 2019

- Budgeted income for congregational giving decreased $54,000
  - Budget based on 3-year average actual giving
- Budgeted income for individual giving decreased $27,000
  - Budget based on 3-year average actual giving
• Budgeted income from BSC Quasi-Endowment decreased $70,000
  o Draw lowered from 9% to 8% for the coming year
  o Draw amount lowered from $512,000 in 2018 to $269,000 in 2020
• Budgeted income from Bequest Quasi-Endowment decreased $182,000
  o Draw remains the same at 17%
• Budgeted income from Endowment Fund increased $60,000
  o Draw increased from 4% to 5% for the coming year
• Budgeted income from Savings Fund increased $100,000
  o Draw increased from 4% to 5% for the coming year

Budgeted income
• 2020 budget transfer projections depend on how 2019 ends
  o Transfers can also be negatively affected by losses, draws, and cash flows
  o Using a five-year average has helped us reduce volatility in transfers and our budget amount has been consistent with actuals (BSC Quasi-Endowment still a little off budget because we don’t have the five years of history)
• Budgeted 2020 transfers to Core Ministries are $127,000 lower than in 2019

Core Ministries expense changes from 2019
• Expenses for the General Secretary budget decreased $73,890
  o Budget includes Mission Advancement, Human Resources, Communications, and Ministry
  o Removal of campaign preparation expense lowered expenses by $68,000
• Expenses for Discipleship Ministries budget increased $3,610
  o Budget includes Aged-Related Ministries
  o No longer drawing ¼ staff salary from NYC designated fund
  o Will continue practice of using reserves to cover some NOAC expenses in non-NOAC year 2020
• Expenses for Global Mission and Service budget decreased $71,720
  o Includes Brethren Volunteer Service and Office of Peacebuilding and Policy
  o Realizing savings from restructuring of BVS Europe (project savings over $40,000)
  o Transferring $20,000 from volunteer insurance designated funds to offset insurance expense; same transfer is budgeted for 2019, but haven’t had to use it yet
• Expenses for Organizational Resources budget decreased $37,690
  o Includes Brethren Historical Library and Archives,
Finance, Information Technology (Elgin & BSC), Buildings and Grounds (Elgin & BSC)
  o Department restructuring, lowering travel costs, and bidding out maintenance contracts all factored into lowering expenses for 2020

Budgeted expenses
  • Total Core Ministries budgeted expenses lowered by $179,690 from 2019 to 2020.
  • Some budgets are stretched thin, but we believe they are realistic and an accurate reflection of the reality we are living in.

2020 Budget Proposal Income and Expense
  • Core Ministries budgeting breakeven budget with transfers
    o Includes 1% cost of living adjustment and continued HSA contributions
    o Medical insurance premium rate increases should be close to budget
  • Brethren Press budgeting net deficit of ($39,390)
    o 2020 budget similar to 2019 budget
    o Brethren Press strives to break even, but it has been difficult to achieve in recent years
    o Moving from internal fees to a “contribution” on gross sales has not covered the entire deficit
    o Staff have prepared a realistic budget for 2020 and will work to improve the budget over the course of the year
  • Material Resources budgeting net income of $22,840:
    o Continuing partnerships with Brother’s Brother, Church World Service, and Lutheran World Relief
    o Will continue to look for new partners to increase income
  • Annual Conference Office budgeting net loss of ($39,770):
    o Factors include decreased attendance, increase in costs (travel, audio/visual, and insurance)
    o Now charged annual finance fee which they hadn’t been in the past
    o AC offerings divided among ministries; in the past AC received all the income from the offerings
  • Brethren Disaster Ministries budgeting breakeven budget with transfer from Emergency Disaster Fund:
    o Project allocation expense about $365,000 lower than 2019
  • Global Food Initiative budgeting breakeven budget with transfer from Global Food Initiative Fund:
    o Approximate $6,200 increase in expenses for 2020
2020 Budget Recommendation

All Church of the Brethren Ministries:
- Total income of $8,527,880
- Total expense of $8,584,200
- Net loss of ($56,320)

Approve the Net Income/Net Expense for the Church of the Brethren ministries for 2020 as presented, which includes:
- An allocation from the Emergency Disaster Fund of $1,844,700 for projected net operating expense for Brethren Disaster Ministries (includes $195,000 for Ministry Enablement Contribution)
- $266,140 from the Global Food Initiative Fund for projected net operating expense for Global Food Initiative (includes $24,000 for Ministry Enablement Contribution)

Discussion
Board members commended staff for increasing the Intercultural Ministries position to full-time.

Board members expressed appreciation to staff for their efforts to contain spending and for decreasing the draws from the endowments, but also noted that it is time for the board to take responsibility and help staff by having the difficult conversations.

Patrick reminded the group that the development of a new Strategic Plan will help the board discern priorities and direction for ministries going forward.

Further discussion and action on the budget recommendation was scheduled for later on the meeting agenda.

Nancy Sollenberger Heishman, director of Ministry, reported on a proposal being formulated by the Pastoral Compensation and Benefit Advisory Committee (PCBAC). The committee is seeking input from the Minister’s Association, the Council of District Executives, and the Mission and Ministry Board prior to bringing the proposal to Annual Conference 2020.

Joining the report via Zoom were committee members Beth Cage (chair), Dan Rudy, Ray Flagg, and Deb Oskin, and Terry Grove.

Beth Cage explained that the committee is charged by Annual Conference to provide oversight for pastoral compensation and benefits. As part of the 5-year review of the pastoral compensation and benefits arrangement, the...
PCBAC has decided to propose a new salary scale designed to provide equality throughout the denomination to the way pastors are compensated.

Terry Grove reported that the group is working to ensure that all pastors, whether multi-vocational or full-time, be paid on scale. The proposal will include:

- A salary table
- A standard for full-time employment (48 hours/week)
- A template for a job description, based on the number of hours the pastor works (hours determined by the salary table and the amount the congregation is willing to pay)

Deb Oskin added that the proposal will also standardize housing practices. The purpose of the proposal is to encourage conversation and accountability between the pastor and the congregation.

Patrick Starkey noted that the committee will be taking its proposal directly to Annual Conference. It does not come through the board for action, but the committee is interested in any feedback the board might offer. There will be further conversation when the recommendations are more fully developed.

The committee responded to questions:

Q: Will the proposal take into account the difference in cost of living across the country?
A: Yes. There will be adjustments based on zip code-level census data, both for salary and for housing.

Bill Scheurer, executive director, brought the On Earth Peace (OEP) report. It centered on OEP’s newly discerned strategic priorities, which will direct their work for the next three years. The four priorities are:

1. Develop individuals as leaders with spirituality and skills in Kingian Nonviolence, using groups such as cohorts and communities of practice.
2. Walk with leaders and their communities as they take action for justice and peace using the Kingian Nonviolence approach, including accountability, consultation, and organizing in solidarity with current movements.
3. Through the agency responsibilities and opportunities of On Earth Peace, embolden the Church of the Brethren to become a living peace and justice denomination.
4. Institutionalize anti-racism/anti-oppression in On Earth Peace practices and structures, including staff and board composition, programs, budgets, policies, and accountability to anti-racism/anti-oppression partners including Crossroads and the Supportive Communities Network.
He noted that priorities 1 and 2 focus OEP’s program ministries on helping leaders and communities work with the spiritual and practical discipline of Kingian Nonviolence conflict reconciliation. Priorities 3 and 4 focus on helping the Church of the Brethren as a denomination and OEP as an agency of the denomination.

Bill asked the board to consider the following:
1. Imagine the Church of the Brethren as a living peace and justice denomination.
2. What might this look like to us in this room? In our congregations and districts?

In response, the group shared the following examples:
- La Verne church members accompanied students home from the Islamic School of Knowledge and provided a presence in the parking lot after threats were received.
- A small child of a black family in a primarily white congregation was crying during church, and a white woman took the child out so the mother could remain in worship.
- Naming racism and employing anti-racist strategies.
- Struggling with how to have a healthy and loving response within the conflict/divisions within our own church.

Bill responded to questions:
Q: What role does OEP have in connecting local congregations to assist families on the southern border?
A: In OEP’s Community of Practice framework, the newest is migrant justice.

Patrick Starkey introduced a recommendation from the Executive Committee regarding the Brethren Faith in Action Fund.

He gave background information on the fund, which was established from a portion of proceeds of the sale of the Brethren Service Center upper campus. Grants are awarded from the fund for outreach projects proposed by Church of the Brethren congregations, as a way to carry forth the legacy of the Brethren Service Center.

The Grant Oversight Committee consists of Diane Mason (board representative), Stan Dueck (staff appointee), and David Shumate (representing district executives). The committee reports rising interest from congregations in applying for grants.

The fund was established as a quasi-endowment, seeking to preserve the principal. Over the two years since the fund was established, the fund has experienced mostly positive market performance, but also a sizable downward dip at the end of 2018. At its July 2019 meeting, the Executive Committee was informed that staff were considering ways to ensure that...
grants could continue to be given, even in down markets. Executive Committee encouraged staff to bring a proposal to this meeting.

At its meeting on the previous day, the Executive Committee discussed the proposal, made a slight change, and brought the following recommendation.

**Recommendation:**  
*Use an average of annual BFIA Fund investment income to determine the amount of funding for the following year. A five-year average of interest income will be used once the fund has five or more years of performance history. (An average interest income of all prior years will be used until the five-year mark is realized.)*

Further discussion and action on the proposal was scheduled for later on the meeting agenda.

Wendy McFadden, publisher, brought a report from Brethren Press.

She reported on current projects:
- “We Bear it with Tears: Stories from Nigeria,” an idea conceived by Jay Wittmeyer, with interviews done by Carol Mason and photos by Donna Parcell; Wendy is editing
- Bible study on Galatians, by David Shumate
- Bible study on God’s Steadfast Love in the Psalms, by Chris Bucher
- Small Wonders, a book of children’s worship stories by Kate Finney
- A collection of writings by Dan West, curated by Bill Kostlevy and Jay Wittmeyer

Upcoming projects include:
- New version of Shine children’s curriculum, co-published with MennoMedia  
  - Includes new Vacation Bible School curriculum  
  - One of the few denominations still producing VBS materials
- Book celebrating the 75th anniversary of Brethren Volunteer Service in 2023

Other developments include:
- Transition to new Customer Relations Management system, made possible by a non-profit grant
- Shine curriculum moving into the trade market  
  - Customers include Cokesbury, Christian Book Distributors, Ingram, Parasource
Brethren Press also faces challenges:
- Two book projects that appear to not be coming through
- Budget struggles; unable to break even in recent years
  - The constraints faced by Brethren Press follow trends in giving and attendance that challenge the church
  - Net deficit includes accumulation of interest charged on debt, a practice the board ended in 2012
  - New practice of charging 9% on gross sales, in lieu of previous fees

Wendy compared a denominational publishing house to the vision Dan West had. West believed in giving those in need a cow – a gift for the future. She expressed gratitude for those who long ago gave us the Brethren Publishing House and the Gospel Visitor.

Wendy responded to questions and comments.

David Steele noted that a Brethren Press business plan was developed at the request of the General Secretary and further conversation was placed on hold until the new software was in place, but staff will pick up the conversation again.

Jay Wittmeyer, executive director, brought a report from Global Mission and Service.

He cited the Church of the Brethren Manual of Organization and Polity, which sets forth direction for the church’s mission work, providing guidelines and a framework for developing the Church of the Brethren as a global church.

The work of global mission can be thought of in three areas:
1. Maintaining and developing relationships with our historical work (India, China, Nigeria, Puerto Rico, Ecuador)
2. Emerging mission projects (Venezuela, African Great Lakes region, Spain, South Sudan, Dominican Republic, Brazil)
   a. Have potential for establishing new Brethren churches that can be formed into legally registered organizations within their respective countries
   b. Jay is required to report each year to Standing Committee on how these emerging projects are progressing
3. Attentiveness to the moving of the spirit in new areas and new work
   a. If efforts appear to be positive, a proposal is brought to the Mission and Ministry Board for formal approval

Meaningful new efforts include:
- Mexico
• Venezuela
  o Good leadership and strong potential, but political turmoil makes it very difficult
• African Great Lakes Region
  o Civil unrest has hindered a deeper relationship
  o Currently 9 churches in the DR Congo identifying as Church of the Brethren
• Rwanda
  o Work is moving forward; led by Etienne Nsanzimana, graduate of Earlham School of Religion
  o Ludwick family has returned from a year of service
  o 4 churches; working on buildings for each, built to government standards
  o Deepening relationship with Batwa Pygmy communities
  o Efforts to get some Brethren books translated
• Spain
  o Spanish are holding revival meetings; many coming are Spanish, not immigrants from Central America
  o Translation of Dale Brown’s book “Another Way of Believing” into Spanish is helpful; Brethren theology

Ongoing efforts:
• Haiti
  o Attended their annual conference; excellent leadership
  o Focus on health and clean water; wells funded largely by the McPherson congregation
  o Country experiencing fires and road closures; boycotts after country raised the cost of fuel
• Brazil
• South Sudan
  o Partnership with African Inland Church
  o Brethren have a good reputation there; believe we can have a voice for peace
• Dominican Republic
  o Haitian community boycotted the annual conference
  o Deep divisions; issues of power and dominant narratives
  o Haitian Dominicans would like to establish their own denomination; Dominicans hoping to bring it back together

Global Gathering
• Will take place in Nigeria the first week in December.
• Vision for a Global Church approved by Annual Conference 2018
  o Directed Global Mission and Service to hold an event for international Brethren to discuss the prospect of a global church
• Objective is “to build relationships, build understanding, and shift
the role of dominance from the US church to the whole gathered body”

- Attending from the US church will be Jay, David Steele, Jeff Boshart, and Carol Spicher Waggy (representing Mission Advisory Committee)

Jay also reported on his recent trip to Vietnam, where Grace Mishler is finishing up 20 years of ministry. Grace established a social work program at the national university and is celebrated by the university, the children’s hospital, and many others for her work there.

Discipleship Ministries staff brought reports on conferences they hosted in 2019.

National Older Adult Conference
Josh Brockway, director of Spiritual Discipleship, shared statistics from National Older Adult Conference (NOAC) regarding:
- Attendance
- Offerings
- Book donations
- Church World Service kits

He played the NOAC wrap-up video and read a post written by keynote speaker Drew Hart, in which Hart reflects on his positive experience with this group of older adults.

Stan Dueck, director of Organizational Leadership, reported that coordinator Christy Waltersdorff did a fantastic job. Others on the planning team were Pat Roberts, Rex Miller, Karen Dillon, and Glenn Bollinger.

The NOAC theme was “Reaching into joy, across generations, beyond differences, through conflict.” New this year as people arrived was a welcome center with activities, refreshments, and music.

Keynote speakers were:
- Joan Chittister
- Drew Hart
- Ted Schwartz and Ken Medema

Preachers were:
- Jeanne Davies
- Jennifer Keeney Scarr
- Dennis Webb
- Dawn Ottoni Wilhelm
- Walt Wiltschek
The next NOAC will be held at Lake Junaluska in 2021.

Christian Citizenship Seminar
Becky Ullom Naugle, director of Youth and Young Adult Ministries, reported on this year’s Christian Citizenship Seminar (CCS), a conference for high school youth that takes place each year except National Youth Conference (NYC) years.

The goal of the event is to help young people take an issue being discussed in the broader culture and consider it through eyes of faith. This year’s theme was “Creative Solutions to Conflict.” The culmination of the event was the opportunity to go to Capitol Hill and meet with legislators.

National Junior High Conference
Becky also reported on National Junior High Conference, held at Elizabethtown College. She showed the conference wrap-up video.

She reported that there was good attendance and energy and great speakers. She encouraged board members to talk with youth they know who attended the conference and learn about their experience.

The next National Junior High Conference will be held in 2021.

Josh thanked the board for their support and advocacy of these events. He encouraged them to tap young people they know in their districts and congregations and invite them to participate.

A presentation on the Plains to the Pacific Roundtable (PPR) was brought by board member Roger Schrock, guests Barbra Davis and Enten Eller, and Merlyn Kettering (via Zoom).

Roger Schrock shared background information on the group, which worked at issues of vitality and transformation in the Church of the Brethren, focusing primarily on congregations in the western half of the US.

The group requested time to present to the board because they felt some of what they learned, some of the problems faced, and some of the mistakes made apply to the denomination as a whole today.

Each person shared stories from their own experience, highlighting the challenges they faced and three specific areas of engagement:

- Congregational well-being
- New church growth
- Use of technology

Plains to the Pacific Roundtable report (Handouts)
Roger explained that the PPR representatives came to the board to share their passion and deep concern. He gave Patrick a thumb drive containing a summary of their meetings, their learnings, and their evaluations, noting that the task had come from the General Board and is being returned to the Mission and Ministry Board.

The meeting adjourned for the day at 5:16 p.m.  

Adjournment
Church of the Brethren
Mission and Ministry Board
General Offices, Elgin, Illinois
October 18-21, 2019

Mission and Ministry Board – Minutes

Sunday, October 20

Members present: Patrick Starkey (chair), Carl Fike (chair-elect), Thomas Dowdy, Lois Grove, Heather Gentry Hartwell, Dava Hensley, John Hoffman, Paul Liepelt, Diane Mason, Joel Peña, Roger Schrock, Colin Scott, Christina Singh, Carol Yeazell

Ex Officio Paul Mundey (moderator), David Sollenberger (moderator-elect), James M. Beckwith (secretary), Bill Scheurer (OEP executive director), Cindy Sanders (Council of District Executives representative)

General Secretary: David Steele

Members absent: Lauren Seganos Cohen, Marcus Harden, Paul Schrock

Ex officios absent: Jeff Carter (Bethany president), Nevin Dulabaum (BBT president)

Recorders: Ed Woolf and Nancy Miner

The Mission and Ministry Board, ex officio members, Church of the Brethren staff, and guests met for worship in the General Offices chapel, led by Bethany Theological Seminary Ministry Formation students.

Nancy Sollenberger Heishman formally welcomed the Bethany Theological Seminary students and thanked them for their worship leadership. She presented each with a copy of “Poetry of the Soul,” by Ken Gibble, and gave a prayer of blessing and thanksgiving for them.

Dan Poole, Assistant Professor of Ministry Formation, brought the report from Bethany Theological Seminary.

He reported that as of 2019, Bethany offers nine degrees and certificates.

Certificates
- Intercultural Biblical Interpretation
- Just Peace and Conflict Transformation
- Theology and Science
- Theopoeics and Theological Imagination
- Biblical Peacemaking (new fall 2019)
Certificate programs can be completed in 1-2 years, and are also available to pastors seeking continuing education credits or for those interested in going deeper into one of the topics.

**Master of Divinity and Master of Arts**
- New objectives focus on what students will be able to do upon completion
- Reduced credit hours shorten time to graduation and keep Bethany’s programs competitive
  - MDiv – 72 hours
  - MA – 42 hours
- Residency requirement for MA has been removed

**New Master’s degrees**
- Master of Arts: Theopoetics and Writing *(new fall 2019)*
  - The only master’s degree of its kind
  - Developed by faculty at Bethany and Earlham School of Religion and offered independently by each school
- Master of Arts in Spiritual and Social Transformation *(in process)*
  - Requirements currently being finalized
  - Bethany’s first professional MA

**Five Pillars**
Dan reminded the board of Bethany’s goal of helping students graduate without additional educational or consumer debt. A Lilly-endowed program helps students improve their economic well-being through:
- Scholarships and aid
- Financial literacy training
- Work-study or other employment
- Affordable housing
- Practicing conscious consumption

Established in 2017, the Pillars and Pathways Residency Scholarship helps eligible students complete seminary without accruing new debt.

**International programs**
- EYN partnership
- International scholar in residence
  - Rev. Dr. Nyampa Kwabe; faculty member at the Theological College of Northern Nigeria and ordained by EYN

Bethany is celebrating 25 years in Richmond, Ind., and the seminary’s partnership with Earlham School of Religion. A new cross-registration agreement with Associated Mennonite Biblical Seminary in Elkhart brings together the three historic peace churches (Church of the Brethren, Friends, and Mennonite).
Carl Fike brought the report of the new Strategic Design Team. Carl chairs the team, and other members are Jay Wittmeyer, Paul Schrock, Lois Grove, and Colin Scott.

He reminded the group that the board called the Strategic Design Team to give careful and prayerful thought to what the board needs to do to get started on a new strategic plan.

The team is formulating a recommendation that will be brought to the board. Preliminary conclusions include:

- Target audience should be the entire denomination
- Recommendation that an outside consultant be engaged, believing it would bring value to the process
- District Executives and denominational staff and people in the pews should be consulted
- Use Compelling Vision as a springboard for the plan

Although the team had decided to “drop the anchor” and wait for more work to be done on the Compelling Vision, Carl now feels the need to reconvene the committee and move forward, considering diminishing contributions to Core ministries and decisions going forward.

Patrick Starkey introduced a time of board conversation stemming from an exercise at Annual Conference 2019, where as a part of the Compelling Vision conversation, delegates were asked, “What is the next big idea for the Church of the Brethren?”

He explained that with the board being the primary program arm of the denomination, and as the board enters a season of strategic planning for the future, he felt it appropriate to wrestle with the same question.

The board viewed the Church of the Brethren video report shown at Annual Conference 2018, titled “The Not-So-Big Church.” Each board member was also given a copy of the book by the same title.

Board members and staff engaged in table talk conversation about what could be the next big idea and wrote their ideas on newsprint. Then each table was given a list of ideas generated from the conversation at Annual Conference, to engage in conversation around some of those ideas.

A representative from each table posted their newsprint list on the wall and gave a brief explanation of their ideas. Board members, staff, and guests each placed stickers next to those ideas they most resonated with.

The board discussed the results of the exercise, with some comments
noting themes of:
- Anti-racism
- Local needs/service

Patrick clarified that providing additional data to the Compelling Vision team is not a priority, but that this was an opportunity for the board to engage important questions, see what it reveals, and to see the synergies with the Compelling Vision as it unfolds.

Discipleship Ministries staff brought a report from their ministry area.

Josh Brockway congratulated Becky Ullom Naugle on graduating from Bethany Theological Seminary in May with a Master of Divinity degree.

Discipleship Ministries states as its goal, “Equipping the people of God, new and renewed, to embody and articulate their faith.” They accomplish that through:
- Events
- Relationships
- Resources

Upcoming events
- Christian Citizenship Seminar, April 25-30
  - Theme: “Economic Justice”
- National Young Adult Conference, May 22-25
  - To be held in North Carolina
  - Theme: “Love in Action”
  - Fee schedule based on distance
- Ministry Summer Service, Summer 2020
  - Pairs young leaders with mentors in churches, districts, camps
  - Two new churches have signed up for 2020
- City of Refuge urban ministry course, Jan. 6-16
  - Held in Atlanta in partnership with Bethany
  - Combines Academy-level training with a Master’s class
- Dikaios, late summer/early fall
  - Will not be held in conjunction with Annual Conference this year
  - True South trip modeled on the Sankofa Journey
- New and Renew Conference, May 13-15
  - Church planting and revitalization
  - To be held in Elgin for the first time
  - Theme: “The Reward of Risk”

Relationships
- Outdoor Ministries Association
  - Josh and Stan have worked with them as they have moved
from having denominational staffing to being independent

- Ecumenical Stewardship Center
  - Stewardship education
  - Josh works closely with them, as do Traci Rabenstein and Matt DeBall
  - Giving magazine no longer a print publication, but digital
  - 600 Church of the Brethren congregations have login credentials for online resource library

- Parish Collective
  - Conspire Gathering 2019 in Cincinnati; Church of the Brethren was a community sponsor

- Evangelism Connections
  - Stan serves on advisory board

- Christian Community Development Association
  - Church of the Brethren is the first denominational partner
  - Able to offer each Church of the Brethren congregation membership

- Anabaptist Disabilities Network

- Bethany Theological Seminary

Resources

- Xenos Project
  - Building a network of congregations who support immigrants within our nation

- Staff expertise in many areas
  - We also utilize the gifts and resources of our partners

Discipleship Ministries staff expressed appreciation for the generosity of congregations and members through financial and volunteer support.

To illustrate the amount of resources funneled through Discipleship Ministries, an oversized “check” for $1 million made out to Discipleship Ministries was presented to David Steele and Patrick Starkey.

Staff responded to questions from board members.

Carol Yeazell reported on her experience as part of a group that traveled to Haiti for an educational trip organized and led by Dale Minnich and his son Paul.

The group was made up primarily of people from the McPherson Church of the Brethren, which has funded the building of several wells in the country. While there, Carol had the opportunity to preach at one congregation’s service, with the help of an interpreter.

Carol made comparisons to a previous visit she made to Haiti in 1966 and...
noted improvements and signs of hope:

- 26 Church of the Brethren congregations on the island
  - Potential for four more by the end of the year
  - Churches are growing
- Haiti Medical Project has 24 mobile health clinics
- Churches provide monthly health education events for pregnant women and mothers of infants and young children.
- Agriculture, including fruit and avocado trees
- Wells provide clean water for bathing
  - Not yet suitable for drinking or cooking
- Women are being taught job skills
- Very few malnourished children

Carol expressed gratitude for the opportunity to make the trip.

Carl Fike brought a report from the Board Development Committee.

Members of the committee are Paul Liepelt, Christina Singh, Carol Yeazell, and Carl Fike (chair), with staff support provided by Nancy Miner. Jim Beckwith also joined the meeting.

One of the committee’s responsibilities is to provide board growth opportunities for board members. Examples include the reports brought by Colin Scott and Carol Yeazell. The committee discussed ideas for future individual growth opportunities, including:

- Atlanta – City of Refuge
- Celebration of 100 years in Nigeria (2023)
- Mexico
- Spain
- Sankofa Journey
- South Sudan

The committee received a report from recent board member exit interviews. One item that arose from the interviews was the need for clarification of what the board does and does not have the authority to do. The committee asked Jim Beckwith to lead a board session at the March meeting on the responsibilities of the board, to which he agreed.

The committee recommended the adoption of a New Member Mentor position description, the contents of which were based on the New Member Mentor proposal approved by the board in 2017.

*The Mission and Ministry Board had consensus and approved the New Member Mentor position description as written.*
Carl Fike presented a recommendation from the Board Development Committee that John Hoffman be named to serve a full term as at-large board member at the conclusion of his current term at Annual Conference 2020.

He explained John’s eligibility for a second full term because he filled an unexpired term and will have served less than half a term at its conclusion.

The Mission and Ministry Board had consensus and affirmed John Hoffman as the 2020 at-large board member.

Patrick Starkey presented the 2020 budget proposal for further discussion and board action.

He noted that he was aware of some questions and subsequent discussion that had taken place between board members and the General Secretary since presentation of the budget the previous day.

During the consensus process, concerns were raised that the “tough conversations” concerning long-term sustainability had not yet taken place.

2020 Budget Recommendation

All Church of the Brethren Ministries:

- Total income of $8,527,880
- Total expense of $8,584,200
- Net loss of ($56,320)

Approve the Net Income/Net Expense for the Church of the Brethren ministries for 2020 as presented, which includes:

- An allocation from the Emergency Disaster Fund of $1,844,700 for projected net operating expense for Brethren Disaster Ministries (includes $195,000 for Ministry Enablement Contribution)
- $266,140 from the Global Food Initiative Fund for projected net operating expense for Global Food Initiative (includes $24,000 for Ministry Enablement Contribution)

The Mission and Ministry Board had consensus and approved the 2020 Budget as presented.

Nancy Sollenberger Heishman brought a report from the Office of Ministry, which supports the calling, training, credentialing, and Ministry Sharing – Office of Ministry
sustaining of ministers in the Church of the Brethren.

Calling the Called
She raised the concern that there are currently 69 congregations with profiles in the system, but only 21 ministers with profiles in the system.

Nearly $7,000 was received through an Annual Conference 2019 offering. That will be used to support the Calling the Called denominational committee. Members are:

- Nathan Hollenberg (Shenandoah)
- Harvey Leddy (Virlina)
- Cheryl Marszalek (Western Pennsylvania)
- Kris Shunk (Middle Pennsylvania)
- Beth Sollenberger (South/Central Indiana)

Grants of up to $300 are available to assist districts in holding a Calling the Called event. The goal of the program is that every district hold an event in 2020.

Credentialing

- New ethics training materials; available in 3 languages
- 40 ethics training events have been held in 22 districts; 6 more scheduled this year, and several more in the spring

Nancy noted that when asked about ethics training for congregations, she refers people to their district office or to the Discipleship Ministries office.

District executive searches

- Pacific Northwest
- Southern Plains
- Michigan
- West Marva

Districts face many of the same challenges that congregations face, such as scarce resources, small pool of candidates, and wide theological diversity, and are finding creative ways to cover their responsibilities.

Clergywomen’s Retreat

- January 2020
- Held every 5 years
- Offering childcare for the first time

Part-Time Pastor, Full-Time Church

- Grant advisory committee giving guidance to the program
  - 4 bi-vocational ministers, 2 district executives, Brethren Academy/Bethany staff, and Church of the Brethren staff
- 77% of Church of the Brethren pastors are bi-vocational or less

Page 32 of 43
than full-time

- Recent *Messenger* article, written by Dana Cassell
- Team of circuit riders
  - 8-10 people to meet with pastors in their context, to assess needs and serve as guides to resources
- Hoping to offer online affinity groups in 2020
- Insight session planned for Annual Conference
- More information available from Dana Cassell

Nancy responded to board members’ questions.

Patrick Starkey presented the Brethren Faith in Action fund management proposal for further discussion and action.

Q: Does the 5-year average mean the previous 5 years, or any 5 years?
A: Previous 5 years.

Q: What is the amount we have seen so far?
A: The average of 2017 (a partial year), 2018 (with market decline), and 2019 to-date is $62,289.

*Use an average of annual BFIA Fund investment income to determine the amount of funding for the following year. A five-year average of interest income will be used once the fund has five or more years of performance history. (An average interest income of all prior years will be used until the five-year mark is realized.)*

**Recommendation**

**The Mission and Ministry Board had consensus and affirmed the Brethren Faith in Action fund management recommendation as presented.**

Lois Grove brought the Strategic Planning Committee report.

Committee members Thomas Dowdy, Lois Grove, and Heather Gentry Hartwell met with staff members Wendy McFadden, Stan Dueck, and David Steele. Paul Schrock (chair) was unable to attend the meeting.

The committee spent time looking at coordination of the strategic planning process:

- Goals of the 2020 plan should continue to be used for direction and guidance until a new plan is adopted
- Desire to celebrate the accomplishments of the current plan
  - Video report to Annual Conference delegates will highlight the accomplishments
The committee feels that the new plan should:
- Include smart, attainable goals
- Be pertinent to our day-to-day mission
- Be an evolving, rolling document with some nimbleness
- Be an outgrowth of current document
- Use drive/roadmap process

Lois noted that the general secretary has expressed a sense of urgency in getting the new plan together as soon as possible, so that the budgeting process can be done with integrity.

Carl Fike provided some clarification of a discrepancy between the written Strategic Plan Design Team report and the verbal report he presented to the board, and Patrick reminded the group that the Design Team has not yet brought a recommendation.

Colin Scott brought the report of the Sustainability Committee.

The committee expressed appreciation for the decision to designate some of the Annual Conference offerings for Church of the Brethren ministries.

During its meeting, the committee reviewed its work through the four functions outlined in its position description:

1. Equipping and encouraging board members to serve as ambassadors for the work of the board
   - Committee affirmed the efforts of staff to equip the board with materials and resources
2. Monitor the overall outreach to congregations and individuals, providing counsel to staff on activities and strategies to connect with potential donors
   - Board members are encouraged to be mindful of those who are passionate about particular ministries and who may have interest or capacity to partner with us
3. Review and provide input to staff related to the status and progress of proposed or current financial campaigns
   - Although the capital campaign has been tabled, staff continue discerning the spirit of a campaign, laying the groundwork and building a foundation so when we do have a capital campaign, we can hit the ground running
4. Identify and celebrate current touch points (event participation, etc.) between board programs and individuals and congregations and seek ways to build upon those relationships
   - Committee thanks Traci and Josh for taking time to talk with Sustainability Committee report
Colin expressed appreciation to Mission Advancement advocates Nancy McCrickard and Shannon McNeil for getting the word out about our various ministries.

Traci Rabenstein, director of Mission Advancement, brought a report on the work of the Mission Advancement team. She highlighted the timeline that brought the Mission Advancement team to its current configuration.

**Three goals** define the team’s focus:
1. Increase visibility of ministries
2. Increase giving opportunities (planned giving, congregational and individual giving strategies) and defining the lifecycle of a donor
3. Coordinate collaborative communication, both internally and externally

**Highlights** of the team’s current work include:
- Launched a new giving page
  - Online giving up 48% from this time last year
- Revived the Pentecost offering
- Promoting a Giving Tuesday campaign
- Tested soliciting the “non-solicited”
  - Sending information without an actual ask
- Collaboration with Global Food Initiative, BVS, BDM to explore how we can use their materials to cast the net even wider
- Changed the resources included in the congregational self-allocation packet
  - Including more financial information and the chart of organizational structure

**Constraints and risks**
- Possibility of departure of congregations and with them, individual donors
  - Analyzing past 5 years of congregational giving data
  - Planning to develop a narrative budget with corresponding graphs, for use in the congregational self-allocation packet

Traci reported that as she has attended fundraising seminars and classes, 2 things have risen to the top for her:
- An annual campaign
  - Start with the beginning of 2020
  - Include a covenant card
    - Allows staff to steward donors from one giving level to another
    - Gives insight into projected income
• A major gifts campaign
  o Launch after Annual Conference
    ▪ Will use Compelling Vision language
    ▪ Waiting for Strategic Plan, which will help drive conversation
    ▪ Staff will research the top 5% of donor base in preparation

Traci expressed her appreciation to the board for their support.

Thomas Dowdy brought a report of the new Living Together as Christ Calls team.

He reminded the board that this is the third team to address the work the board has been tasked with by Annual Conference.

Members of the team are John Hoffman, Carol Yeazell, Thomas Dowdy (convener), and Stan Dueck.

The assigned task:
  “Work to understanding the roots of our tension and to develop strategies to live together in a more Christ-like manner.”

During their first three meetings, the team reviewed the work of the previous teams and felt they were ready to move forward, and then realized the enormity of the task.

Realizing that the denomination’s focus should not be on its problems, but on celebrating the good that is going on, the team restated their mission:
  “To allow the Holy Spirit to move our church as we focus on a Christ-centered journey, together in celebration of overcoming the roots of tension that divide.”

Next steps:
  • Look at the Compelling Vision and see how they can work alongside it
  • Create a safe place
  • Work alongside other groups and agencies

Thomas expressed appreciation to the previous Living Together as Christ Calls teams for the work already done.

Scott Douglas, director of Client Relations, brought the Brethren Benefit Trust (BBT) report. He brought updates on the following BBT ministries.

**Brethren Benefit Trust report**

**Brethren Medical Plan**
  • Implemented Concierge 360
• Highmark BCBS service that helps individuals with insurance questions
• Moved to fully self-insured plan
  o Claims are tracking where they should
  o Program is working well
• Livongo
  o For people living with diabetes
• Proposal going to the BBT board for a plan for ministers

Legislation that can benefit churches, camps, and districts
• Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)
  o Resources available on BBT website
  o Reimbursement program to fund health benefits pre-tax
• Individual Coverage Health Reimbursement Arrangement (ICHRA)
  o New program, similar to a QSEHRA
  o BBT is in conversation with legal counsel prior to offering information

Brethren Foundation Funds
• Asset management for organizations
• Charitable gift arrangements

Brethren Pension Plan
• Move to a new record keeper with a dedicated team
• Seven new index funds for investment options
  o Includes options for those less concerned about Brethren Values Investing
• New financial advising service

Church Workers Assistance Plan
• For church workers experiencing a financial reversal
• Funded through contributions to Pension Plan
• 107 grants given this year to date

Staff changes
• Donna March retiring in December after 35 years
• Michelle Kilbourne began Oct. 1; will assume role of Director of Human Resources and Administrative Services after Donna’s retirement

Other
• Strategic Planning on the November agenda
• 7th Circuit Court has upheld the Clergy Housing Allowance
Chris Douglas brought a report from the Annual Conference Office. She began with a brief clip from the 2019 Annual Conference Wrap-up Video.

Annual Conference 2019 was a new style of conference:
- Focus on Compelling Vision conversations
  - Data from table conversations entered on iPads

Offering totals
- Core Ministries ($10,243)
- Nigerian Church Rebuilding fund ($10,800)
- Brethren Disaster Ministries work in Puerto Rico ($12,675)
- Calling the Called ($7,000)
- Childcare activities at Annual Conference ($7,700)

In Chris’ 10 years as Conference director, a $70,000 deficit was paid off and a reserve has been built up. In 2018, however, for the first time our income did not cover expenses.

It is anticipated that the current trend will continue of expenses going up while attendance (income) goes down. Because drastic cuts were made 10 years ago to reduce expenses, finding additional places to trim is a challenge.

Early registration for Annual Conference 2020 will again be offered to staff and board members, beginning on February 24.

Chris encouraged board members to consider persons to nominate for positions on the Annual Conference ballot. Nominations can be made through the Annual Conference website.

Roy Winter, associate executive director for Global Mission and Service, brought a report about the work of Material Resources at the Brethren Service Center.

The work of Material Resources (formerly Service Ministries) began in 1945. Church World Service was being formed at the same time, and we have served as their warehouse ever since.

Ecumenical partners (and percentage of activity)
- Lutheran World Relief (55%)
- Church World Service (15%)
- Brother’s Brother Foundation (25%)
- Other partners (5%)
- Ended relationship with IMA World Health in 2018 (was once 30% or more).

Material resources has faced financial challenges in the past decade,
largely due to changes at IMA and Church World Service. We are just beginning to get our footing with Brother’s Brother.

Staff ship materials to at least 25-30 countries and 25-30 states each year. This year’s total weight was over 23½ million pounds.

Material Resources functions with eight full-time and two part-time staff. They continue the tradition of volunteerism, with about 1,200-1,300 volunteers serving per year.

Roy responded to questions from the board.

Paul Mundey brought the Annual Conference moderator’s report.

The Moderator’s Manual gives guidance for the task, which Paul is carrying out by:

1. Attending/resourcing as many district conferences as possible
2. Attending/resourcing as many district and congregational events as possible
3. Attending a wide array of denominational/ecumenical meetings/events
4. Maintaining an active social media presence
5. Developing and issuing a moderator’s statement on gun violence
6. Envisioning a Moderator’s Forum
   a. April 18, 2020 at Young Center; Brethren history theme
7. Envisioning a quarterly pastoral letter; titled *Trail Thoughts*

**Annual Conference 2020**

1. Theme: “God’s Adventurous Future”
2. Logo design by Timothy Botts
3. Largest orchestra in the history of Annual Conference, led by Nonie Detrick
4. Bible study led by Michael Gorman
5. Friday morning Jubilee plenary on the missional church, led by Tod Bolsinger

**Compelling Vision process**

- Finalizing the statement and companion materials over the next several weeks
- Share with Council of District Executives in January
- Determine process to educate/brief the denomination
- Provide Annual Conference opportunity to engage with the Compelling Vision statement
Patrick Starkey shared the background leading up to the decision to hold a board meeting offsite.

The March 2015 meeting held in Lancaster, Pa., was well-received. It allowed people from the area to come to the meeting and gave board members the opportunity to attend worship in area congregations.

The board at that time debriefed the experience, evaluating the pros and cons, and decided to hold an off-site meeting every five years. The Brethren Retirement Community in Greenville, Ohio, was chosen as the location for the March 2020 meeting.

Patrick gave some instruction for information needed from board members and staff as plans are made for the meeting in Greenville.

Patrick Starkey presented the proposed 2024 Mission and Ministry Board spring and fall meeting dates:
- March 15/16-18 (Elgin, Ill.)
- October 18/19-21 (Elgin, Ill.)

The Mission and Ministry Board had consensus and affirmed the 2024 meeting dates as presented.

The meeting adjourned for the day at 5:20 p.m.
Monday, October 21

Members present: Patrick Starkey (chair), Carl Fike (chair-elect), Lois Grove, Heather Gentry Hartwell, Dava Hensley, John Hoffman, Paul Liepelt, Diane Mason, Joel Peña, Roger Schrock, Colin Scott, Christina Singh, Carol Yeazell

Ex Officio: Paul Mundey (moderator), David Sollenberger (moderator-elect), James M. Beckwith (secretary), Bill Scheurer (OEP executive director), Cindy Sanders (Council of District Executives representative)

General Secretary: David Steele

Members absent: Lauren Seganos Cohen, Thomas Dowdy, Marcus Harden, Paul Schrock

Ex officios absent: Jeff Carter (Bethany president), Nevin Dulabaum (BBT president)

Recorders: Ed Woolf and Nancy Miner

Jim Beckwith shared about a daily ritual he uses to remind himself of his baptism and in the same spirit led the group in an opening prayer.

Opening prayer

Patrick Starkey opened the session with an exercise reminding the group of the blessing and the responsibility given the church by God.

Introductions

Brethren Service Center staff and remote staff joined the meeting via Zoom. David Steele invited each to introduce themselves and share their role with the Church of the Brethren.

New staff and BVSers were introduced:
- Nolan McBride, Youth/Young Adult Ministries assistant (BVS)
- Hannah Shultz, coordinator of Short-Term Service
- Nikifor Sosna, BVS orientation assistant (BVS)
- Liana Smith, assistant workcamp coordinator (BVS)
- Kara Miller, assistant workcamp coordinator (BVS)
- Zoe Vorndran, intern, Brethren Historical Library and Archives
- Jessie Marsiglio, volunteer, Brethren Historical Library and Archives

Other staff who were not present over the weekend were invited to introduce themselves.
Diane Mason shared a report from the Brethren Faith in Action grant oversight committee.

She reported that since July, grants were given to Bayamon, Brook Park, and Harrisburg First congregations.

Four more applications have been received but have not yet been reviewed as the committee waited for word on funding. The committee has now been informed that there is still about $50,000 available for this year, so they will move forward and review the applications.

Serving with Diane on the grant oversight committee are Stan Dueck and David Shumate.

Patrick Starkey brought the Brethren Faith in Action Fund proposal back to the board for additional consideration.

He explained that the language approved by the board earlier in the meeting did not quite capture the intent of the proposal. He brought new language for the board to consider, striking “interest income” and inserting “earnings.”

Action on this revised wording would take the place of the previous day’s action.

Use an average of annual BFIA Fund investment income earnings to determine the amount of funding for the following year. A five-year average of interest income earnings will be used once the fund has five or more years of performance history. (An average interest income of earnings of all prior years will be used until the five-year mark is realized.)

The Mission and Ministry Board had consensus and approved the new recommendation as presented.

The board took time to complete meeting evaluation forms.

Lois Grove and Colin Scott brought the Governance Monitors’ report.

The role of the Governance Monitors is to monitor the board’s performance and encourage good governance practices.

Lois and Colin made the following observations:

- Impressed by board’s ability to remain attentive and diligent throughout the weekend
- Good participation by new members
- Strong participation collectively
• Ex officios allowed time for voting members to make comments and ask questions before speaking
• Time management
  ○ Suggestion that more time be allotted for board members’ reports on board development opportunities
• Chair did well to monitor time and work to get us back on track
• Thorough explanation of consensus model helped process go well
• Leadership is mindful of good governance
• Receiving more upfront information about some agenda items prior to voting on consent agenda would be helpful
• Board’s energy waned a bit on Saturday afternoon
  ○ Schedule more items requiring active participation for afternoon
• Pace of meetings was good
  ○ More time on Next Big Idea might have been helpful
• Allowing extra processing time between presentations and action was helpful
• Timing of breaks and allowing evening down time was helpful
• Not as much time for questions after reports as sometimes
  ○ More value in asking questions in the whole group than encouraging conversation/questions during breaks or meals

The meeting adjourned for worship at 10 a.m.

Lois Grove led the closing worship, assisted by worship leader Roger Schrock.

Following the reading of Hebrews 10:24-25, Diane Mason and John Hoffman presented a drama illustrating the futility of searching for the perfect church.

Roger read the story of the Rabbi’s Gift and Lois shared reflections on ways her congregation has called out the gifts of its members in unique ways, creating a new sense of hope.

Recorded by Nancy Miner and Ed Woolf
Approved and respectfully submitted by:

__________________________________   _____________________
James M. Beckwith  Date
Secretary

Adjournment

Closing worship
"As each has received a gift, employ it for one another, as good stewards of God's varied grace" (1 Peter 4:10).

I. Accounting Policies ................................................................. 4
   A. Guidelines ................................................................. 4
   B. Audit ................................................................. 4
   C. Legal Matters ......................................................... 5
   D. Bank Accounts ......................................................... 5
   E. Insurance ................................................................. 5
   F. Designated Funds ......................................................... 5

II. The Budget ........................................................................... 6
   A. Planning ................................................................. 6
   B. Method ................................................................. 6
   C. Budget Parameters ..................................................... 6
      1. Core Ministries ..................................................... 6
      2. Self-Funding Ministries ........................................... 6
   D. Reporting ................................................................. 6

III. Capital Expenditures .......................................................... 7
   A. Capitalized Items ..................................................... 7
   B. Repairs ................................................................. 7
   C. Capital Expenditures .................................................. 7
   D. Depreciation ........................................................... 7

IV. Promotion for Funds ........................................................... 8
   A. General Promotion of the Core Ministries Fund ............... 8
   B. Self-Allocation ........................................................... 8
   C. Special Promotional Efforts for the Core Ministries Fund .... 8
      1. Special Interpretive Offering Emphases ......................... 8
      2. Promotion of Projects within Budgets ......................... 8
      3. Direct Gift Appeals ................................................. 8
   D. Mission and Ministry Board-Established Special Projects .... 8
   E. Major Fund Appeals ..................................................... 9
   F. Grant Seeking .......................................................... 9
      1. Grant Requests ..................................................... 9
      2. Grant Approval ..................................................... 9
   G. Non-Budgeted Projects ............................................... 9
      1. Staff/Board-Initiated Non-Budgeted Projects ................. 9
      2. Donor-Initiated Non-Budgeted Projects ..................... 10

V. Donation Processing ............................................................. 11
   A. Tax Exemption 501c3 .................................................. 11
   B. Individuals ............................................................. 11
   C. Congregations .......................................................... 11
   D. Gift Acceptance Policy ................................................ 11
E. Donations of Cash.............................................................................................................. 11
F. Real Property .................................................................................................................... 12
G. Personal Property and Equipment/Gifts-in-Kind............................................................ 12
H. Stocks/Bonds...................................................................................................................... 12
I. Bequests ............................................................................................................................ 12
J. Split-Interest Agreements ............................................................................................... 12
K. Recognition of Donors ................................................................................................... 12

VI. Funds Without Donor Restrictions .............................................................................. 13
A. Core Ministries Fund ....................................................................................................... 13
B. Self-Funding Ministries ................................................................................................... 13
C. Designated Funds ........................................................................................................... 13
1. Bequest Quasi-Endowment Fund .................................................................................. 14
2. BSC Quasi-Endowment Fund ...................................................................................... 14
3. Carryover Funds ............................................................................................................. 14
4. Faith in Action Fund ....................................................................................................... 14
5. Savings Earnings ............................................................................................................ 14
6. Other Designated Funds ............................................................................................... 15
D. Land, Building and Equipment Funds .......................................................................... 15
E. Church Loan Fund .......................................................................................................... 15

F. Prior Assets Without Donor Restrictions........................................................................ 15

VII. Funds With Donor Restriction ................................................................................... 16
A. Emergency Disaster Fund ............................................................................................... 16
1. Definition of the Fund .................................................................................................... 16
2. Procedures for Appropriations from the Fund............................................................... 16
B. Global Food Initiative Fund .......................................................................................... 17
1. Definition of the Fund .................................................................................................... 17
2. Procedures for Appropriations from the Fund............................................................... 17
C. Emerging Global Mission Fund .................................................................................... 17
1. Definition of the Fund .................................................................................................... 17
2. Procedures for Appropriations from the Fund............................................................... 18
D. Program-Restricted Contributions ................................................................................ 18
E. Non-Budgeted Contributions ........................................................................................ 18
F. Endowment Earnings ..................................................................................................... 19
G. Term-Endowments ........................................................................................................ 19
H. Split-Interest Trust Agreements ..................................................................................... 19
I. Endowments..................................................................................................................... 19
1. Six Major Endowment Categories ................................................................................ 20
2. Restrictions on Endowment Funds ............................................................................... 20
3. Income from Endowments ............................................................................................. 20
J. Prior Assets With Donor Restrictions ............................................................................. 20

VIII. Investments and Loans .............................................................................................. 21
A. Investment Oversight ..................................................................................................... 21
1. Audit and Investment Committee .................................................................................. 21
2. Investment Strategy ....................................................................................................... 21
3. Investment Foundation ................................................................................................. 21
4. Review and Evaluation ................................................................................................. 22
I. **Accounting Policies**

The Church of the Brethren, Inc. is a charitable organization incorporated in the state of Illinois with a 501c 3 tax exemption status.

A. **Guidelines**

The accounting for the Church of the Brethren shall be in accordance with Generally Accepted Accounting Principles (GAAP). Financial reporting for both internal and external purposes shall be done on a consistent basis.

B. **Audit**

The annual audit shall be performed by a regional or national company of independent Certified Public Accountants. The Treasurer and the Assistant Treasurer shall recommend, and the Audit and Investment Committee shall approve the selection of the auditors. Periodically, a review of the auditors shall be made by the staff and the committee.

Although the auditors do not perform an internal control audit, testing of internal controls is part of the financial statement audit. The General Secretary and Treasurer are responsible for certifying the appropriateness of the financial statements and management is responsible for establishing and maintaining an adequate internal control structure and procedures for financial reporting.

Annually, the Audit and Investment Committee shall review any management letter comments, staff responses to management letter comments, the audit report, historical analysis, and other data from the auditors and report any significant findings to the Church of the Brethren Mission and Ministry Board (hereafter named as Board).

Other audit functions of the Audit and Investment Committee include reviewing the scope of the audit and related fees; the Church of the Brethren’s accounting principles and financial policies; the adequacy of the Church of the Brethren’s accounting systems and internal controls; the reasonable assurance of the confidentiality, integrity, and availability of automated systems; and the auditor’s prepared financial statements.

The Audit and Investment Committee will also function to reduce fraud risk by ensuring appropriate accounting policies are in place; internal controls are established and followed; and financial statements are timely and accurate. See also section VII. A.1 Audit and Investment Committee for other functions of the Audit and Investment Committee.
C. **Legal Matters**

The Treasurer's Office maintains legal counsel for contracts and other corporate documents as well as litigations or other legal matters. Issues of this type should be referred to the Treasurer. In addition, Brethren Press retains separate legal counsel for copyrights and trademarks.

D. **Bank Accounts**

The Treasurer is authorized to open and close bank accounts through Board resolutions. The following individuals will have signing authority: Board Chair, Chair-Elect, General Secretary, and Treasurer. Also, two signatures are required for acquiring debt. Other operating accounts for Annual Conference or other conferences may be opened as necessary, as approved by the Executive Committee. The General Secretary, Treasurer, and Assistant Treasurer will have signing authority over other operating accounts.

E. **Insurance**

The Church of the Brethren maintains insurance policies for its properties and other assets. Its properties are also covered with general liability insurance as well as an over-arching umbrella insurance. A Directors and Officers liability policy is maintained to protect Board members and officers from personal loss resulting from lawsuits related to programs and committees of the Board. Workers Compensation insurance is in effect for all employees, along with a Crime policy for safeguarding against forgery and theft. See also section IX: Travel and Related Expenses.

F. **Designated Funds**

The Board may set aside resources for designated purposes. Designated resources of Core Ministries and Self-Funding Ministries are accounted for through separate designated funds. Such funds may be used for one-time projects or needs. See also section VI: C Designated Funds.
II. The Budget

A. Planning

The Board will approve a budget covering all major areas of ministry according to priorities established by the Board and within the financial parameters set by the Board. Also, the Board will consider three-year forecasts to ensure that financial resources and program priorities are consistent. A yearly schedule will be developed.

B. Method

A budget parameter proposal will be brought by staff to the Executive Committee for full Board action. A budget packet for all ministry areas will be presented to the Board for approval of gross income and expense, and net income and expense parameters.

C. Budget Parameters

1. Core Ministries

   Budget parameters will be set within the following guidelines for the Core Ministries: 1) Unless otherwise approved by the Board, projected income should be equal to or more than projected expenses to meet a goal of a break-even budget. 2) Net assets of no less than $1.5 million will be maintained to provide for stable operating needs. This includes adequate cash reserves from the Core Ministries Fund and other funds.

2. Self-Funding Ministries

   Budget parameters for the Self-Funding Ministries will be based upon the following guidelines: 1) Unless otherwise approved by the Board, projected sales, service fees, and registration income should be equal to or more than projected expenses. 2) Net assets for each program will be maintained to provide for stable operations. Appropriate review/monitoring should be done by the General Secretary and Treasurer and/or Board should a Self-Funding Ministry fall into a negative net assets position.

D. Reporting

Reports of income and expenses compared to budgeted amounts will be presented to the Board for both the Core Ministries and the Self-Funding Ministries at each Board meeting.
III. Capital Expenditures

A. Capitalized Items

Expenditures for assets with a determinable useful life greater than a fiscal year, or which prolong the useful life and add value to the existing fixed asset, will be capitalized. The cost will be allocated over the useful life of the asset in a rational and systematic manner via depreciation expense. Any expenditure incurred for placing the fixed asset into operation, such as shipping, installation, training, and testing, are considered part of the cost of the fixed assets and are therefore capitalized. Also, staff expenses may be allocated to a capital project when they clearly add to the value of a major capital project.

B. Repairs

Expenditures that keep property in efficient operating condition and do not substantially prolong the life of an asset should be budgeted annually and expensed upon occurrence. Such expenses as routine painting, moving modular walls, and repairing a roof should be expensed, while replacing an air conditioner on a roof is a capital expense.

C. Capital Expenditures

Capital Expenditures should be planned for and require approval by the appropriate Director, Executive Director, Treasurer, and General Secretary at various levels up to $35,000. Capital purchases above $35,000 will be approved by at least 3 out of 5 of the Executive Committee, and expenditures above $50,000 approved by a simple majority of the Board. In the absence of the Treasurer, the Assistant Treasurer may substitute for the Treasurer; in the absence of the General Secretary, the Acting General Secretary when one is named, may substitute for the General Secretary. Expenditures over $10,000 require a minimum of three competitive bids when feasible before being considered for approval. When it is not feasible to obtain three competitive bids, the reasons will be documented in the capital proposal.

D. Depreciation

Fixed assets will be depreciated using the straight-line basis with one-half year's depreciation taken in the year of acquisition.
IV. **Promotion for Funds**

**A. General Promotion of the Core Ministries Fund**

In promotion for funds, the Church of the Brethren and its employees will give first priority to enlisting contributions toward the Core Ministries Fund. Primary efforts will be directed toward achieving this basic support, although procedures for special promotional efforts are established.

**B. Self-Allocation**

Congregations will be encouraged to include the Core Ministries Fund within their budgets and to plan for giving through self-allocation in the outreach planning process. The Board's major promotional efforts will be within this context.

**C. Special Promotional Efforts for the Core Ministries Fund**

1. **Special Interpretive Offering Emphases**

   There will be Interpretive Offering Emphases for the Core Ministries Fund each year.

2. **Promotion of Projects within Budgets**

   The Church of the Brethren website contains information about a large number of budgeted ministries and projects. Some of those ministries may be chosen for special support relationships. If possible, gifts are used for the project selected. If the project is overfunded, the gift may be assigned to another project in the same geographic area, or with a similar emphasis.

3. **Direct Gift Appeals**

   The Mission Advancement Office will offer opportunities to persons who desire to support Church of the Brethren programs beyond the support they provide through their congregations.

**D. Mission and Ministry Board-Established Special Projects**

Occasionally, the Board, upon recommendation or through self-initiation, may establish special projects within the budget or outside of the budget. The nature of the project and the action of the Board will determine whether there will be special promotion of the project. Procedures will be established when such projects are approved.
E. Major Fund Appeals

The Church of the Brethren may occasionally appeal to congregations and individuals to support special needs through a major fund appeal. Major fundraising campaigns will not be used for ongoing programs because, when the campaign ends, the programs will no longer have a funding source. Major fundraising campaigns are best used for increasing endowments, securing funds for major capital purchases, or other limited needs.

F. Grant Seeking

The Church of the Brethren and its staff recognize that grant seeking may provide some new opportunities to fund important ministries of the church. Therefore, it has set forth these guidelines for grant seeking.

1. Grant Requests

Grants applied for will be consistent with the current mission and ministry focus of the Church of the Brethren. Grant requests for “new” programs or projects consistent with the mission direction of the Board, but not related to a current program or project must be approved at appropriate staff levels and reported to the Executive Committee.

Any ideas for grant solicitation must be approved in advance. The Church of the Brethren will not typically seek state or federal government issued grants, but may accept them when offered, with the approval of the General Secretary. A report of this will be given to the Executive Committee.

2. Grant Approval

All grant proposals must be submitted for review by the appropriate staff and signed by the General Secretary or Treasurer or Assistant Treasurer. Grant proposals between $35,000 and $50,000 will be reported to the Executive Committee and proposals greater than $50,000 will be reported to the full Board.

G. Non-Budgeted Projects

The first priority for donations is to ministries put forth by the Board in its yearly budget.

1. Staff/Board-Initiated Non-Budgeted Projects

A staff- or board-initiated process may be utilized for non-budgeted program emphases. Non-budgeted projects are those reported within a ministry area budget but are solely supported by restricted donations and not the Core Ministries Fund. Such projects will include only non-recurring and non-
continuing items. Final approval must be secured from the General Secretary, Treasurer, and Director of Mission Advancement if the proposed project is greater than $5,000 but less than $35,000 in expense. Proposals for more than $35,000 will be approved by at least 3 out of 5 of the Executive Committee, and expenditures above $50,000 approved by a simple majority of the Board. In the absence of the Treasurer, the Assistant Treasurer may substitute for the Treasurer; in the absence of the General Secretary, the Acting General Secretary when one is named, may substitute for the General Secretary.

Once the approval is given, specific promotion methods will be developed by the area Executive Director or Director in consultation with the Director of Mission Advancement. These projects will not be implemented until the gifts or other funding are in hand.

2. Donor-Initiated Non-Budgeted Projects

If a donor has been advised of the possibilities within budget and the approved non-budgeted projects and chooses to direct a gift toward another specific purpose, Board staff will determine whether or not the gift can be used in a Church of the Brethren-related program. The approved money will be received and treated as additional income and expense that increases the efforts of the particular ministry area.

Special monitoring of such gifts is important as the Board studies its priorities. A yearly report of restricted gifts and their use will be given to the Board.

The Board respects donor restrictions and monitors expenditures through its Finance Office and matches restrictions as closely as possible. See also section VII: E Non-Budgeted Contributions.

Back to Top
V. **Donation Processing**

A. **Tax Exemption 501c3**

The Church of the Brethren’s 501c3 status allows for charitable gifts to be tax-deductible. The Church of the Brethren *Yearbook*, published by Brethren Press, is provided yearly to the Internal Revenue Service (IRS) as a listing of organizations under the Church of the Brethren’s group exemption ruling.

B. **Individuals**

Donations from individuals are processed through the Church of the Brethren’s donor system. The Board will accept gifts and give donation credit for donations that support Church of the Brethren programs. See also section D: Gift Acceptance Policy below.

C. **Congregations**

Donations from congregations are processed through the Church of the Brethren’s donor system. The Board will accept gifts and give donation credit for donations that support Church of the Brethren programs. See also section D Gift Acceptance Policy below.

D. **Gift Acceptance Policy**

The Board has established a gift acceptance policy to provide guidance in the acceptance of current and deferred gifts from individuals, corporations, and foundations. A gift acceptance committee consisting of the General Secretary, Treasurer, Board Chair, and Director of Mission Advancement, will review gifts and accept gifts according to the policy. Specific types of gifts listed below in items E. through J. are subject to the gift acceptance policy. Please refer to the full policy for further details.

E. **Donations of Cash**

The Church of the Brethren accepts donations of cash by various means including, but not limited to, check, credit card, electronic funds transfer, online credit card, and payroll deduction. Donation credit for payroll deductions will be given annually instead of each pay period.
F. Real Property

Gifts of property are normally related to split-interest agreements. Gifts of property from estates will be processed through the Church of the Brethren, in consultation with the Brethren Foundation and appropriate realtors/legal personnel as needed.

G. Personal Property and Equipment/Gifts-in-Kind

Contributions of personal property and equipment will be recognized at fair market value at the date of the contribution. The IRS allows individuals a tax deduction of the fair market value of the personal property and equipment donated.

H. Stocks/Bonds

Contributions of stocks and bonds will be valued at their fair market value on the date the gift is transferred to the Church of the Brethren. Stock/bond gifts will be sold as soon as they are received, unless the Church of the Brethren broker recommends otherwise.

I. Bequests

A bequest is a gift by will. A bequest may consist of cash, securities, real estate, or other personal property. The Treasurer’s office receives and acknowledges estate gifts, with copies to the Mission Advancement Team.

J. Split-Interest Agreements

The Church of the Brethren outsourced the trustee function for new trusts such as charitable gift annuities and charitable remainder unitrusts. Proceeds from these trusts will become Church of the Brethren estate gift donations upon termination. See also section VII: H Split-Interest Trust Agreements.

K. Recognition of Donors

The Church of the Brethren normally does not provide signage or other forms of recognition. If exceptions are made, the Church of the Brethren reserves the right to control exposure given. If signage is considered, donors’ names and/or logo will be designed in such a way as to enable Church of the Brethren program exposure to be most prominent.
VI. **Funds Without Donor Restrictions**

Funds without donor restrictions are defined as the part of net assets of the Church of the Brethren that are without donor-imposed stipulations. Net assets (net worth) of the Church of the Brethren are the excess or deficiency of assets over liabilities for a particular unit. Net assets will increase by the amount of positive net change in activity for a fiscal year. A net deficit during a given year will lower the net asset balance.

A. **Core Ministries Fund**

The Core Ministries Fund contains the income and expense activity for the Church of the Brethren’s programs supported primarily through donations. The main sources of income are congregational and individual gifts. Donation credit will be given to congregations and individuals. Funds may be restricted to specific program areas. If restrictions are not able to be matched with current year expenses, funds will be held in a restricted fund until the restrictions can be met. See also section VII: D Program-Restricted Contributions.

B. **Self-Funding Ministries**

Self-Funding Ministries of the Church of the Brethren are supported primarily through income from sales, fees, and registrations rather than donations. It is the goal of each Self-Funding Ministry to have a break-even budget or better. The following is a list of such ministries:

- a. Brethren Press
- b. Brethren Disaster Ministries
- c. Material Resources
- d. Global Food Initiative
- e. Conference Office.

Brethren Disaster Ministries is largely supported by the Emergency Disaster Fund. Global Food Initiative is supported by the Global Food Initiative Fund.

C. **Designated Funds**

Designated Funds are funds without restrictions set aside by the Board or staff (rather than the donors) for use. Designated Funds are best used for one-time needs, short-term projects, or as emergency reserves. Church of the Brethren staff may establish Designated Funds according to the approval levels established by the General Secretary and Treasurer. The Board and/or staff can change the purpose. The Designated Fund balances will be reported to the Board annually for its review.
Some major categories of Designated Funds are as follows:

1. Bequest Quasi-Endowment Fund

A quasi-endowment fund is a Board-designated fund that is treated like an endowment where only earnings are used. The principal is not permanently restricted as is the case with endowment funds. The Core Ministries’ operating income from the Bequest Quasi-Endowment uses a percentage of the five-year average fund balance. The percentage is reviewed each year and may be changed by the Board upon the recommendation of staff. The intention of this method is to provide a more stable income that is less impacted by unpredictable investment returns. The principal is increased annually by the amount of unrestricted bequest donations received and those restricted bequests (for Core Ministries programs) for which the restriction was met for the current year.

2. BSC Quasi-Endowment Fund

The Board designated a portion of the proceeds from the sale of the Brethren Service Center to establish this quasi-endowment. The purpose of this fund is to promote long-term sustainability of denominational ministries.

3. Carryover Funds

Executive Directors and Self-Funding Ministry Directors can request carryover funds from their current year’s budget into the next year’s budget. Carryover funds are intended to be a means of carrying over funds for projects that were started, but not finished in the current budget year. The General Secretary and the Treasurer are given the authority by the Board to make carryover decisions consistent with approved budget parameters.

4. Faith in Action Fund

The Board designated a portion of the proceeds from the sale of the Brethren Service Center to establish this fund. The purpose of this fund is to provide grants to Brethren congregations to fund outreach ministries.

5. Savings Earnings

All investment earnings from the Savings investment at the Brethren Foundation Funds Inc. are recorded in the Savings Earnings Fund. The Core Ministries’ operating income from Savings is a percentage calculated on the five-year average of the fund balance. The percentage is reviewed each year and may be changed by the Board upon the recommendation of the staff. The intention of this method is to provide a more stable income that is less impacted by unpredictable investment returns.
6. Other Designated Funds

a. Occasionally reserves will be established for Board-wide emerging concerns, emergencies, or other items that were not foreseen when the budget was approved. Emergency reserves may be set aside for more than one year.

b. There may be times when funds need to be accumulated over a period of several years for an expense that cannot be handled within one year's budget. Such Designated Funds can be established within the above guidelines, with the exception of carryover funds. See also section C.3 Carryover Funds.

D. Land, Building and Equipment Funds

These funds contain all Church of the Brethren capital assets. A capital asset is any asset that has a useful life of more than one year or prolongs the useful life and/or adds value to an existing fixed asset. Capital assets are governed under financial policy section III Capital Expenditures. Other transfers from these funds may take place upon Board approval.

E. Church Loan Fund

The Church Loan Fund was established to assist in new church development. The Church of the Brethren issued church mortgage loans with funds raised through Church Letters and Church Extension Notes. A Board decision to discontinue the church mortgage program was made in 1998. Existing mortgages continued until repayment and Church Notes and Letters closed as holders collected or donated their funds. See also section VIII: C Loans.

F. Prior Assets Without Donor Restrictions

Funds and properties that were assets without donor restrictions in the possession of the individual boards prior to the 1947 reorganization and the General Brotherhood Board are assets without donor restrictions in the possession of the Church of the Brethren, Inc. In addition, funds that were assets without donor restrictions of the Association of Brethren Caregivers at the September 1, 2008, merger with the Church of the Brethren General Board are assets without donor restrictions of the Church of the Brethren, Inc. Assets without donor restrictions are funds and property devised or bequeathed to a named Board (without more), or to a named Board “for its uses and purposes" or by some other similar language.
VII. **Funds With Donor Restriction**

Funds with donor restrictions are defined as the part of the net assets of the Church of the Brethren resulting from contributions and other inflows of assets whose use by the Church of the Brethren is limited by donor-imposed stipulations. These restrictions either expire by the passage of time or can be fulfilled and removed by actions of the Mission and Ministry Board in accordance with those stipulations.

A 9% Ministry Enablement Contribution will be assessed on most restricted donations and transferred to Core Ministries to help cover administrative costs. Grants and endowment additions will not be subject to the 9% charge.

Some major categories of funds with donor restrictions are as follows:

A. **Emergency Disaster Fund**

1. Definition of the Fund

   a. The Emergency Disaster Fund is established to enable the Church of the Brethren to make an immediate response to needs created anywhere in the world by reason of natural or other disasters:

      (1) “Emergency” needs are those which are not, or in most cases cannot be, anticipated in advance so as to be included in budget-building processes.

      (2) “Disaster” needs are those human needs that arise because of some calamitous event of nature, (flood, tornado, earthquake, pestilence) or because of human activity (riot, civil strife, war).

   b. The Emergency Disaster Fund is maintained through appeals to congregations and individuals as needed for response to current and future disasters.

   c. Contributions to the fund will receive donation credit for tax purposes. Such contributions are restricted and will be handled as such. See also section VII: D Program-Restricted Contributions.

2. Procedures for Appropriations from the Fund

   a. The Associate Executive Director of Global Mission and Service will bring allocation requests for approval. In the absence of the Associate Executive Director of Global Mission and Service, the Director of Brethren Disaster Ministries may request an allocation.

   b. Appropriations require approval by the Associate Executive Director of Global Mission and Service, Treasurer and General Secretary at various levels up to $35,000. In the absence of the Treasurer, the Assistant Treasurer may
substitute for the Treasurer; in the absence of the General Secretary the Acting General Secretary when one is named, may substitute for the General Secretary. Appropriations above $35,000 will be approved by at least 3 out of 5 of the Executive Committee and appropriations above $50,000 will be approved by a simple majority of the Board.

Back to Top

B. Global Food Initiative Fund

1. Definition of the Fund

a. The Global Food Initiative Fund is an ongoing fund established by the Church of the Brethren to enable Brethren to participate effectively in addressing pressing world hunger needs. The fund will respond to proposals to address domestic hunger and homelessness, as well as hunger and development needs around the world.

b. The Global Food Initiative Fund is maintained through appeals to congregations and individuals.

c. Contributions to the fund will receive donation credit for tax purposes. Such contributions are restricted and will be handled as such. See also section VII: D Program-Restricted Contributions.

2. Procedures for Appropriations from the Fund

a. The Global Food Initiative Fund Manager will bring allocation requests for approval in consultation with the Executive Director of Global Mission and Service and Grants Review Panel.

b. Appropriations require approval by the Global Food Initiative Fund Manager, Executive Director of Global Mission and Service, Treasurer, and General Secretary at various levels up to $35,000. In the absence of the Treasurer, the Assistant Treasurer may substitute for the Treasurer; in the absence of the General Secretary the Acting General Secretary when one is named, may substitute for the General Secretary. Appropriations above $35,000 will be approved by at least 3 out of 5 of the Executive Committee and appropriations above $50,000 will be approved by a simple majority of the Board.

Back to Top

C. Emerging Global Mission Fund

1. Definition of the Fund

a. The Emerging Global Mission Fund is established to enable the Church of the Brethren to support emerging international evangelism and church planting, as well as church planting in the United States and Puerto Rico.
b. The Emerging Global Mission Fund is maintained through appeals to congregations and individuals.

c. Contributions to the fund will receive donation credit for tax purposes. Such contributions are restricted and will be handled as such. See also section VII: D Program-Restricted Contributions.

2. Procedures for Appropriations from the Fund

a. The Executive Director of Global Mission and Service or the Director(s) of Discipleship Ministries review all grant applications and ministry support allocations. Ministry allocations are established as temporary support for a specific international ministry until the program can be incorporated into the Core Ministries operating budget.

b. Appropriations require approval by the Executive Director of Global Mission and Service, a Director of Discipleship Ministries, Treasurer, and General Secretary at various levels up to $35,000. In the absence of the Treasurer, the Assistant Treasurer may substitute for the Treasurer; in the absence of the General Secretary the Acting General Secretary when one is named, may substitute for the General Secretary. Appropriations above $35,000 will be approved by at least 3 out of 5 of the Executive Committee and appropriations above $50,000 will be approved by a simple majority of the Board.

D. Program-Restricted Contributions

Program-Restricted contributions are those donations stipulated for specific areas of Church of the Brethren programs. Restricted donations are matched against actual expenses during the year. If more contributions are received than can be matched with expenses, then the excess contributions are held until they can be spent in future years.

E. Non-Budgeted Contributions

Contributions with specific restrictions that are not part of the Church of the Brethren’s program areas are considered non-budgeted contributions. Normally the Church of the Brethren will not accept donations that have restrictions outside of the program areas. However, exceptions that are determined to be closely related to program may be accepted. See also section IV: G.2 Donor-Initiated Non-Budgeted Projects.

Contributions to the fund will receive donation credit only if the Church of the Brethren is able to use the funds. If the Church of the Brethren is unable to use the funds, they will be returned to the donor and no credit will be given. Such
contributions are restricted and will be handled as such. See also section VII: D Program-Restricted Contributions above.

F. Endowment Earnings

All investment earnings from endowment funds are recorded in the Endowment Earnings Fund. The Core Ministries’ operating income from unrestricted endowment earnings is a percentage calculated on the five-year average of the fund balance. The percentage is reviewed each year and may be changed by the Board upon the recommendation of staff. The intention of this method is to provide a more stable income that is less impacted by unpredictable investment returns. See also section VII: I.3 Income from Endowments.

G. Term-Endowments

Term-Endowments consist of donor-restricted contributions that must be maintained for a specified term or purpose with only earnings available for use. These Church of the Brethren funds are maintained similarly to an endowment. Once the time or purpose restriction is met, both earnings and principal will be available to the Church of the Brethren as unrestricted assets.

H. Split-Interest Trust Agreements

A split-interest trust agreement is defined as a trust or other arrangement under which the Church of the Brethren receives benefits that are shared with either the donor or third-party beneficiaries.

The Church of the Brethren is trustee for all gift instruments prior to January 1, 1999. Agreements after that date are written and managed by the Brethren Foundation Funds, Inc. on behalf of the Church of the Brethren.

I. Endowments

Endowment Funds are defined as the portion of net assets of the Church of the Brethren resulting from contributions and other inflows of assets whose use by the Church of the Brethren is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Board.

The Church of the Brethren affirms the idea of giving specific attention to increasing the Board’s endowment. Recognizing the interest of donors in restricting gifts for special purposes, the Board has identified specific program ministries for endowment funding. While identifying selected program areas for endowment, the Board will continue placing its primary emphasis on unrestricted endowment.
1. Six Major Endowment Categories

   a. Alexander and Anna Mack Endowment—established for endowment gifts without restrictions
   b. Endowment for Peace and Service
   c. Endowment for Communications and Publishing
   d. Endowment for Brethren Heritage
   e. Endowment for Mission and Evangelism
   f. Endowment for Ministry Training

2. Restrictions on Endowment Funds

   The Church of the Brethren shall not use certain restricted (life income, annuity, and endowment) funds for making capital advances or other expenditures.

3. Income from Endowments

   Interest and dividends earned from the endowment funds will be used according to the donor’s restrictions (if any). These earnings are paid out of the fund on a quarterly basis from the Brethren Foundation Funds, Inc. Realized and unrealized gains are also considered earned income from endowments and will be used according to the donor’s restrictions (if any).

   The Board has implemented a stabilization strategy which results in income to Core Ministries calculated on the five-year average of the fund balance.

J. Prior Assets With Donor Restrictions

   Funds and properties that were earmarked for or were established as endowments or trust funds in the possession of the individual boards prior to the 1947 reorganization and in the possession of the General Brotherhood Board are likewise earmarked in the possession of the Church of the Brethren, Inc. In addition, funds that were assets with donor restrictions of the Association of Brethren Caregivers at the September 1, 2008, merger with the Church of the Brethren General Board are assets with donor restrictions of the Church of the Brethren, Inc. Prior assets with donor restrictions shall be restricted in their use to the original trust or limitation.
VIII. Investments and Loans

The Treasurer is responsible to the General Secretary of the Church of the Brethren for overseeing the investment and loaning of funds.

A. Investment Oversight

1. Audit and Investment Committee

Three members of the Board meet with the Treasurer, Assistant Treasurer, and Accountant to carry out specific functions for the Mission and Ministry Board.

Investment functions include review and approval of staff recommendations for the Brethren Foundation Funds, Inc., periodic review and approval of investment strategies and related financial policies, annual review of fund administration, and monitoring of investment results. See also section I: B Audit for other functions of the Audit and Investment Committee.

2. Investment Strategy

Investments consist of funds from split-interest agreements for which the Church of the Brethren is the trustee, as well as endowments and organizational funds held for the short or intermediate term. Investment funds are evaluated to determine their requirements or specific goals. A listing of individual strategies by fund will be reviewed periodically by staff and the investment foundation, with changes approved by the Audit and Investment Committee.

3. Investment Foundation

Certain functions related to investment management are outsourced to the Brethren Foundation Funds, Inc. These functions include investment management and administration of trusts for which the Church of the Brethren is named the trustee and assignment of the trustee function for future split-interest agreements written after January 1, 1999, that eventually will benefit the Church of the Brethren.

The Brethren Foundation Funds, Inc. will be contracted to follow the investment guidelines and the socially responsible interests of the Church of the Brethren. They will provide monthly reports of actual performance compared to appropriate investment benchmarks. In addition, a report will be given to the Audit and Investment Committee at the March and October Board meetings summarizing the year’s activities and adherence to investment guidelines for Church of the Brethren securities. Administrative performance of the contract will also be a discussion item with the Audit and Investment Committee.
4. Review and Evaluation

   a. Policies: All investment policies shall be reviewed at least every two years and may be reviewed whenever circumstances change.

   b. Results: Investment results shall be reviewed regularly to assess performance and adherence to guidelines.

B. Investment Guidelines for Church of the Brethren Securities

The following investment guidelines are to be used by our investment foundation.

1. The general objectives for Church of the Brethren investments are stability, liquidity, preservation of capital, and rate of return (yield) management.

2. Rate of return objectives for each category of investment shall exceed the rate of return from appropriate benchmarks.

3. Management

   a. Prudent Management: To use the care, skill, prudence, and diligence under the circumstances prevailing that a 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 purposes and aims.

   b. Investment Judgment: Consistent with these Investment Guidelines, and except as otherwise specifically instructed by the Audit and Investment Committee, the Brethren Foundation Funds, Inc. shall have the authority to use its judgment to select securities for investment, determine the timing in the purchase or sale of these securities, and prohibit the use of securities in ways that would, in its judgment, unreasonably jeopardize their value or expected return.

   c. Investment Universe:

      (1) Investments may include marketable securities in the following categories (including, but not limited to): common stock, preferred stock, convertible issues, corporate debt obligations, debt securities issued or guaranteed by agencies or instrumentalities of the U.S. Government that meet the social responsibility guidelines, certificates of deposit or bankers acceptances of U.S. banks, and short-term money market instruments.

      (2) Investments may not include issues of options, commodities, privately placed securities, real estate mortgages, or equity real estate.

   d. Diversification: Diversification is to be maintained in both equity and fixed-
income investments in order to minimize the risk of large losses in individual investments.

e. **Transactions:** Moderate turnover is expected. Transactions are to be governed by negotiation for execution on a best realized (net) price basis to minimize transaction costs.

4. Social Responsibility

In addition to the goal of obtaining reasonable income while protecting principal, the Board recognizes a responsibility to:

a. Invest in entities whose activities are beneficial to the public.

b. Be responsive to the social principles of the Church of the Brethren as stated by Annual Conference or the Board.

c. Contract with an investment foundation in line with the values and principles of the Church of the Brethren and related to the Interfaith Center for Corporate Responsibility (ICCR), or a similar organization.

C. Loans

1. Church Mortgages

   a. The Church of the Brethren issued church mortgage loans with funds raised through Church Letters and Church Extension Notes. Because of alternative strategies in new church development, the Church of the Brethren acted in 1998 to issue no new mortgage loans.

      As of February 28, 2018, all Church Letters and Church Extension Notes have either been returned to the grantor or donated to the Church of the Brethren.

2. Gift-Related Mortgages

   In some circumstances, estate gifts include a mortgage obligation as part of the eventual gift.

3. Loans to individuals

   It is prohibited for the Church of the Brethren to extend credit to any Board member or executive officer. In addition, the Church of the Brethren is not in the practice of making loans to employees.
D. Pastors Housing Fund

1. Definition of the Fund

a. The Pastors Housing Fund was established by the Church of the Brethren as a result of the 1975 Annual Conference adoption of the Pastors Salary and Benefits Plan, to give support to the long-term housing needs of pastors. This national fund provides congregations with the opportunity to help pastors accumulate funds for housing to be used either at retirement or when purchasing a home prior to retirement. The fund was established July 1, 1976.

b. This fund is intended only for housing needs and not as a general savings account. The statement in the Plan notes, “When a parsonage is occupied through mutual agreement between pastor and congregation ...1% of the value [fair market value] of the parsonage should be paid by the congregation each year into a fund in the name of the pastor which shall be available for future use in meeting housing or retirement needs.”

c. This fund is not tax-exempt and, therefore, the tax implications are the same as for savings accounts. Payments to the fund may be made by the congregation or the pastor. Yearly tax forms will be filed for earned interest and capital gain or loss.

2. Administration and Policies

a. The Treasurer and the Director of Ministry shall determine administrative practices and procedures.

b. The Treasurer’s Office will contract with an investment foundation to provide a range of mutual fund options for each pastor’s account. The Treasurer co-signs each account to ensure that funds are used for the intended purpose. In the absence of the Treasurer, the Assistant Treasurer may act on the Treasurer’s behalf.

c. General oversight of the Pastors Housing Fund has been delegated by Annual Conference to the Pastoral Compensation and Benefits Advisory Committee. Major alterations in or discontinuance of the Pastors Housing Fund, including the return of funds, will be by Annual Conference action on the recommendation of the Committee.
IX. Travel and Related Expenses

Board members and staff are eligible to receive reimbursement or payment for travel on behalf of the Church of the Brethren. Board members and staff should use good stewardship practices and good judgment in incurring expenses. Expenses incurred such as travel, lodging, meals, telephone calls, and attendance at board, committee meetings and Annual Conference, are paid by the Church of the Brethren. These expenses are submitted to the employee’s supervising Director, Executive Director, or General Secretary on an expense statement, along with receipts.

The Church of the Brethren maintains travel insurance policies for domestic and international travel.

Expenses incurred by members of the Board for assigned Board work are paid by the Board. When Board members or staff serve other interests at Annual Conference (local churches, districts, institutions, other agencies of the Church, or Annual Conference), it is expected that the expenses be shared with those interests represented. Similarly, if spouses represent both the Church of the Brethren and other interests at Annual Conference, it is expected that the expenses be shared with those interests represented. Expenses for Board members or staff will be reimbursed after expense statements are submitted along with receipts for expenses over $25.00. Whenever practical, staff and Elgin-based BVS volunteers should use a corporate credit card to pay for business expenses. Exceptions include selected staff who use a United Mileage Plus or similar credit card that generate points that are periodically transferred to the Church of the Brethren’s account.
Church of The Brethren  
Mission and Ministry Board  
New Member Mentor Program  
Position Description

I. Purpose

To give new board members a specific person to consult with questions about process, polity, personnel, program, or any other issue related to service on the board.

II. Goal

To establish an informal relationship between a new board member and a longer serving member to help the new member feel welcome and informed in his or her new role.

III. Process and responsibilities

1. The Executive Committee appoints a mentor for each new voting board member at the board’s reorganization meeting at Annual Conference. When possible, the mentor will serve on the same board committee as the new member.

2. Following Annual Conference, the board chair e-mails each new voting member (and copies their mentor), welcoming them to the board, telling them who their mentor is, and noting that their mentor will be in touch with them prior to the October MMB meeting.

3. During the mentorship period the mentor contacts the new board member prior to each meeting of the board to answer any questions about logistics or the upcoming agenda.

4. The mentor attends the New Member Orientation with their assigned new board member, if possible.

5. Mentors and their assigned new board member are seated next to each other during the new board member’s first year on the board.

6. The official mentor relationship lasts for one year, but mentor pairs may choose to continue longer on an informal basis.