

APPENDIX B: A PROPOSED CHANGE IN DENOMINATIONAL FUNDING

(Adapted from the *Report of the Connectional Funding Project Team of the Minnesota Annual Conference of The United Methodist Church* on June 1, 2000. It will be revised as footnoted and conveyed to the 2002 Minnesota Annual Conference without endorsement¹)

A PROPOSAL FOR A TITHE AS AN APPORTIONMENT FORMULA

Action #1: That the apportionment formula beginning in 2004² be set as a tithe (10%) of each local church's income for operating expenses. Local Church income for the purpose of the tithe formula will not include: memorials, capital fund drives, endowments not used for operating expenses, suppers, bazaars, annual fund-raisers, mission offerings, or any gift not under the control of the local church governing body.

Action #2: That local churches beginning in 2003 report income. Income from memorials, capital fund drives, endowments not used for operating expenses, suppers, bazaars, annual fund-raisers, mission offerings, or any gift not under the control of the local church governing body will be reported separately from income for operating expenses.

Action #3: That the Annual Conference beginning in 2003 accept its General Conference apportionment in full, tithe its income to the General Conference, and fund any projected shortfall by encouraging local churches to embrace those benevolences with special gifts directed through the Annual Conference treasurer.

A RATIONALE FOR A TITHE AS AN APPORTIONMENT FORMULA

INTRODUCTION

Several years ago insights from W. Edwards Deming's revolution in business practices were applied by the Minnesota Annual Conference to our ministry together. We asked the question, "What do we do, that if we cease doing, we will no longer exist?" The answer was *forming disciples*. In examining this more thoroughly we realized that the locus for this mission is the local church. The Annual Conference could not perform this mission. We discovered that the true mission of the Annual Conference was not the redemption of the world, but supporting local churches who advance redemption in the world.

In practice, the Annual Conference does not function as a church. (How can a church that meets once a year form disciples?) The Annual Conference functions as an organization that exists alongside the local church as its helpmate. Its existence is for the local church, and its purpose is: "*to make disciples for Jesus Christ by equipping its local churches for ministry and (by) providing a connection for ministry beyond the local church*" (*The Discipline 2000*, ¶601).

¹ Members of the team drafted two mutually exclusive proposals (with their rationale) for the debate and decision of the Annual Conference. The one not shown is simply a revision in calculating the current apportionment formula.

² Action on the report was delayed two years so the dates are revised to reflect its introduction at 2002 Annual Conference.

THE APPORTIONMENT VISION

Clergy and lay members of annual conferences formulate budgets that they believe advance the mission of the church and apportion to churches their support. The assumption is that the Annual Conference budget best advances the mission of Christ through its constituent churches. However, the Annual Conference provides a not the connection for ministry beyond the local church.

In reality, the size of the Annual Conference or the General Church's budget does not reflect the United Methodist Church's mission (and smaller denominational budgets do not necessarily mean less mission). Indeed, *the local church does not exist to empower the general church in global mission; rather the general church structures have expressly been formed to equip the local church in its global mission*. Accordingly, it is wise for fiscal discipline to be exercised so that the denominational structures neither substitute for nor hinder the global mission of local churches. It is prudent that the denominational draw on local church income be capped so as to expect and empower local churches to fulfill their global mission according to their gifts and calling.

THE TITHE AS A CAP

In adopting a tithe as an apportionment formula, the Annual Conference creates a mechanism by which its budget level reflects the financial vitality of its churches. It imposes on itself a fiscal discipline that makes it more a financial partner with the local church. Moreover, the Annual Conference is better able to focus on its priorities because debate shifts from the size to the content of its budget, and local churches are freed from the burdensome notion that their membership, spending or the decisions of other churches affect their financial obligation to the Annual Conference.

THE TITHE AS TUTOR

A recent survey revealed that American church-goers return an average of 3% of their income to local churches, but spend more than 12% on entertainment. This pattern is a far cry from the tithing partnership with God that Abraham demonstrated on one occasion and Jacob initiated as a life-long pattern.

Old Testament teaching reveals that tithing was a means of economic partnership with God. Jacob understood that his welfare was dependent upon God and promised to return a tenth of whatever God blessed him with. That partnership was later commended in God's covenant given through Moses. The tithe was also a means of supporting the work of the priesthood and temple. Jewish believers, however, were not known as generous if they tithed. That designation came as they generously gave from their wealth beyond the tithe to the poor and to the temple. The tithe was not theirs to give. It was God's and must be returned. The prophets warned that the tithe belonged to God and failure to return it was robbery. The one who returns less than a tithe is like a trustee who, when asked to return a tenth of what is made with the owner's wealth, refuses. That trustee ought not expect either the approval of the owner or to be entrusted with more of the owner's wealth.

When Jesus spoke of giving, the tithe was understood. Reacting to a legalistic righteousness among his hearers, he rarely mentioned tithing, although on one occasion he affirmed its appropriateness. Instead, Jesus emphasized to his audience (1) the importance of seeking God's kingdom first, (2) how their hearts follow the investment of their treasure and (3) that

God will not let generosity and sacrifice go unrewarded. “Give and it will be given to you,” Christ taught, “pressed down, shaken together and running over.” Jesus’ followers were urged into a partnership with God. The tithe was not irrelevant as some suggest. Jesus never excused a single believer from tithing nor would he ever have taught that (Matt. 5:17-20). Rather he invited believers to follow him in not only tithing, but making the kingdom their economic and life priority (Matt. 6:33, Mark 10:28-30).

In the apostles’ teaching, giving is not emphasized as a choice and vision but as a work of the Holy Spirit. As believers learned to walk in the Spirit, they were exhorted to open their eyes to need, commit themselves to prayer, share generously in thankfulness and joy with a heart that is free from guilt or worry (2 Cor. 9:1-13), and trust God to graciously supply their own needs (Rom. 4:32, 2 Cor. 9:8-14).

Accordingly, the tithe is only an initial faith partnership with God that is enabled by the Spirit. It is an economic partnership and way of life where we recognize God as provider and immediately return a tenth of our income. (In tithing, one does not *give* but simply *returns* 10%.) It is the 90% leftover income that we become stewards of and that begins to reveal our vision, heart and the further work of the Spirit.

When local churches tithe their operating income, they model for their leaders and members both partnership with God and Christian stewardship. In returning a tenth of their operating income to the Annual Conference, they declare their reliance on God’s blessing. In their prayerful giving and spending of the rest, they show their heart and sensitivity to the Spirit. By operating in this way, they both model and teach the very discipline and joy that elude so many church-goers, dynamics that are necessary not only to be blessed by tithing, but to live as kingdom people.

THE TITHE’S IMPACT

Several significant changes would occur as a result of moving to a tithe. Some are outlined here:

- *Tithing would relieve the Annual Conference of the painful task of setting the amount each local church should pay*
- *Tithing shifts the focus for local churches from paying a bill to honoring a covenant*
- *Tithing promotes and models greater Christian stewardship in the local church*
- *Tithing promotes a greater sense of partnership with the Annual Conference*
- *Tithing helps the Annual Conference establish budgets that reflect more the financial vitality of our local churches*
- *Tithing emphasizes our corporate trust in God*
- *Tithing signals our appreciation and dependence on Scripture*
- *Tithing assists local churches in recognizing and sharing the blessings they receive*

Other changes are caused by the Annual Conference tithing to the General Conference. They are outlined in a sample budget using 1998 conference budget and local church expenditure figures.

A Budget Model Constructed on the Tithe

Example: - taken from the *1999 Minnesota Conference Journal* pages 286ff

Local church expenses (estimated income):	\$49,604,701
Assuming \$2 million was from capital fund drives and other money to be excluded in the formula:	\$47,604,701
 The Minnesota Annual Conference would receive 10% of that amount:	 \$ 4,760,470
 The General Conference would receive 10% of the amount received by the Annual Conference:	 \$ 476,047
 To be paid to the General Conference from that amount:	
General Episcopal Fund:	\$204,945
<u>General Administration:</u>	<u>\$ 61,423</u>
Total:	\$266,368
Balance: (Annual Conf. Gift to World Service)	\$209,368

General Conference Apportionment is to be accepted in full (Paragraph 611,3d), but how it is funded is up to each Annual Conference (Paragraph 612). The remaining "unfunded" General Conference apportionment, listed below, is to be raised through the mission giving of local churches and the balance of the Annual Conference's tithe to General Conference.

<u>Unfunded General Conference Apportionment</u>	<u>Amount</u>
Ministerial Education Fund	\$ 386,890
Focus 2000	\$ 16,139
Inter-denom Coop Fund	\$ 21,699
Black College Fund	\$ 146,653
Africa University	\$ 34,010
World Service (\$852,017-\$209,368)	<u>\$ 642,649</u>
Total General Conference Mission Gifts	\$1,248,090

Available for Minnesota Annual Conference Ministry: \$4,284,423

<u>Item # Budgeted Conference Ministry for 98</u>	<u>Net amt. from apport.</u>
200 - common table	\$ 145,191
300 - personnel	\$ 825,077
400 - appointed leadership	\$ 890,823
500 - mission engagement	\$ 470,349
600 - discipleship empowerment	\$ 129,263
700 - communications	\$ 120,691
800 - administration & finance	<u>\$ 975,194</u>
TOTAL	\$3,556,588

Balance Left After spending budget and tithing to General Conference: \$727,835

(The balance can be used as a reserve the first year, and the unused portion could be passed on as a gift to the General Conference to reduce or eliminate World Service (or MEF, Inter-denom. Coop Fund, etc.) as local church mission projects.)

The Minnesota Annual Conference, to be consistent with its philosophy of partnering missions with individual local churches, needs to consider which of these projects, as well as others, can be better supported through mission partnerships with local churches. (Taken from 1998 Conference Journal, p. 286ff)

107 - focus 2000	\$ 15,595
108 - Black College Fund	\$143,524
109 - Africa University Fund	\$ 32,762
410 - no description of use	\$ 6,600
431 - compensation for clergy	\$125,000
502 - mission scholarships	\$ 600
503 - district training	\$ 225
504 - vim scholarships	\$ 1,000
505 - vim projects	\$ 2,900
506 - aids ministry	\$ 500
520 - pilot programs Bd of Global ministry	\$200,000
525 - promotion action team	\$ 5,000
610 - national discipleship	\$ 500
615 - distribute materials	\$ 500
617 - ethnic caucuses	\$ 34,700
625 - inclusiveness monitoring	\$ 300
626 - local church inclusiveness monitoring	\$ 370
627 - local church bibliography	\$ 420
630 - discovery of gifts	\$ 2,700
640 - sexual abuse policy	\$ 2,250
650 - interp. of Student Sunday	\$ 800
651 - United Methodist Higher Education	\$ 6,000
655 - camp subsidy, etc.	\$ 6,000
657 - offsite programs	\$ 1,300
658 - camp scholarships	\$ 5,500