

Resolution

Subject: Provincial Share Methodology
From: Finance Committee

WHEREAS, the Provincial Support Services Board (PSSB), through its Financial and Administrative Support Committee (FASC) developed, approved, tested, and recommended to the Provincial Elders' Conference (PEC) a new provincial share methodology at the Synod of 2014 (Resolution #6); and

WHEREAS, that moved from an expense-based budget to one that is income or revenue based; and

WHEREAS, that methodology was implemented, monitored, and evaluated by the FASC, the PSSB, and the PEC for several years; and

WHEREAS, in an attempt to reduce the hardship on those congregations most in need of relief; 2018 Synod approved a new methodology attempting to measure the overall health of congregations and their ability to support the requested provincial share; and

WHEREAS, throughout the COVID interval and continuing, some of the necessary metrics have become difficult to obtain accurately, understand, and equitably apply across all congregations; and

WHEREAS, this previous methodology has been tested during the intervening synodal period, found to be unwieldy and difficult to apply accurately and did not achieve the desired goals; and

WHEREAS, data for assessing financial stability of congregational contributions over time are readily available through the statistics annually reported by each church; and

WHEREAS, the proposed methodology has been tested by the Synod Finance Committee and found to be more equitable to all congregations and the province; therefore be it

RESOLVED, that the PEC implement a simplified provincial share methodology during the inter-synodal period, and

RESOLVED, that the FASC shall review the status of congregational giving and ongoing effectiveness of the provincial share methodology and make recommendations to the PSSB for necessary action or changes when needed; and

RESOLVED, that the PSSB make recommendations to the PEC for necessary action or changes, and

RESOLVED, that the PEC shall be given the authority to adjust the amount required of a congregation if, after consultation with the Board of Trustees or Church Board of a congregation, the circumstances warrant an adjustment; and

RESOLVED, that the congregational share be based upon the congregation's annual operating income; and

RESOLVED, that the PEC shall be given the authority to make any adjustments to this new methodology which introduces a simple indexed percentage approach for congregations, between 10% and 20%; and

RESOLVED, that the initial distribution be as follows:

Reference Table: Calculating Provincial Share

Annual Operating Revenue:	Indexed Percentage	Share Dollars
\$0 - \$50,000	10%	\$0.00 - \$5,000
Between \$50,001 - \$75,000	12%	\$5,000 plus 12% of \$50,001 to \$75,000
Between \$75,001 - \$100,000	14%	\$8,000 plus 14% of \$75,001 to \$100,000
Between \$100,001 - \$125,000	16%	\$11,500 plus 16% of \$100,001 to \$125,000
Greater than \$125,000	18%	\$15,500 plus 18% of the amount over \$125,000

1. Annual Operating Receipts, previously referred to as "Line 1 Income", is as defined on the annual church audit form and its instructions. (Attached)
2. Relief of a congregation's provincial share or portion thereof is defined in the Provincial Book of Order. Congregations should be advised that submission of annual audit reports are important and necessary to assure their appropriate share calculation. Lacking a current audit report, the last report submitted will be used to determine the share request.
3. This change will more closely tie annual provincial funding from congregational shares to the annual income of the churches.
4. The number of index categories and the percentages applied may be adjusted, remaining within a 10% to 20% range, with PEC approval as experience indicates.

Attachment to Proposal 23: Definition of Annual Operating Receipts

The definition of what has been termed "Line 1 Income" shall mean all components of "Annual Operating Receipts" as broken out under Line 1 on the audit form. Annual Operating Receipts shall include receipts garnered for the general operations of the church congregation.

Submitted and approved by 2022 Synod Finance Committee.