



Diocese of Newark - Proposed 2011 Budget

Income	Final Annual Budget 2010	Actual 2010 (Unaudited)	Proposed 2011 Budget	Notes on 2011 Budget
1 Pledge Revenue	\$2,090,000	\$2,046,500	\$2,160,000	Assumes half of increased revenue from Bishop's ask
2 Investments	73,000	74,375	76,823	New fund alignment, \$22K outreach, no principal w/d
3 Investment withdrawal (Principal)	65,000	58,636	0	Principal withdrawal used for operating expenses
4 Crossroads Scholarship Funds			2,218	Income from funds intended for camp scholarships
5 Reimbursements & Other	165,400	↓	↓	Unclear Documentation on 2010 - broken out below
6 Direct Administration Fees		50,000	30,000	Reduction of direct admin charge by half
7 WJH & ACTS/VIM Audit Fees		10,000	0	Entities no longer have separate audits
8 Investment Administration Fee		46,112	96,500	Chg from 6% of income on some fds to .25% of MV on all
9 Panther Valley Contributions		1,200	1,200	Voluntary contributions from this congregation
10 Fund Development Work (Alleluia)	108,000	98,695	110,000	Alleluia Fund
11 Bishop's Supplementary Funds		12,305	45,000	Historical use of funds for budget items
12 Senior Ministries			5,000	One-time gift
13 Rental Income for 31 Mulberry			50,000	Assumes six months of potential annual rent
14 TOTAL INCOME	\$2,501,400	\$2,397,823	\$2,576,741	

Expense	Final Annual Budget 2010	Possible Year End Actual	Proposed 2011 Budget	Notes: All salary lines include pension for lay & clergy, 6.5% increase in medical/dental costs and no salary increase.
15 Staff: Finance Dept & Property Mgr	\$319,143	\$321,412	\$374,970	Half of Property manager costs (split with Trustees)
16 Bishop Anand Resource Center	4,000	3,927	2,500	Requested Budget for 2011
17 Stewardship Committee	2,246	1,218	2,000	Requested Budget for 2011
18 Cong./Clergy/Ministry Development	11,550	10,810	13,000	Requested Budget for 2011
19 Ringwood Property Insurance	3,500	3,215	3,200	Requested Budget for 2011
20 Equipping Congregations	\$340,439	\$340,582	\$395,670	
21 Staff: Secy to Conv, Bp's Exec Admin	\$216,268	\$217,462	\$218,023	
22 Diocesan Convention	0	0	0	Carrying forward \$11,537 in net income from 2010
23 Christian Formation	20,000	22,582	15,000	Requested Budget for 2011
24 Cross Roads Camp Ministry	20,000	20,000	5,000	* Equal to income available for scholarship plus addl
25 Commission on Ministry	9,000	-8,014	5,000	Carrying forward \$9,590 to 2011; budget is asking
26 Clergy Conference	5,400	4,595	5,400	
27 Namaste (Dismantling Racism)	5,000	4,507	3,000	Requested Budget for 2011
28 Hispanic Ministry	3,000	2,075	3,000	Requested Budget for 2011
29 Bethsaida	550	0	0	No request for 2011
30 Education for Ministry	1,600	1,500	1,500	Requested Budget for 2011
31 Senior Ministrues	0	-475	500	Carrying over to 2011; budget is asking
32 Empowering People	\$280,818	\$264,232	\$256,423	Excludes Newark ACTS
33 Can. To Ord, Comm, Youth, Admin	\$395,643	\$396,789	\$406,000	
34 The Episcopal Church	439,530	439,530	465,752	Increase from 16.9% of current income to 17.9%
35 TEC 2008 Pledge Arrears			10,000	
36 Domestic Outreach Grants	72,360	93,500	145,045	* Total Outreach to increase from 5.6% of income to 6.6%
37 International Outreach Grants	35,640	27,500	18,037	* 2011 budget is MDG goal of .7% of Income
38 Alleluia Fund Development			5,500	Alleluia Fund Committee request for development exp.
39 General Convention	17,000	17,000	17,000	One-third of expected tri-ennial expenses
40 Communications/Voice	40,700	28,224	29,615	Requested Budget for 2011
41 Cathedral	3,000	3,000	3,000	* Requested Budget for 2011
42 Liturgy & Music	3,000	2,762	3,000	Requested Budget for 2011
43 Deacons	5,060	3,573	5,000	Requested Budget for 2011
44 Province II	7,000	7,643	9,171	Previous commitment (will be \$10,190 for 2012)
45 Immigration	700	0	0	Task force work completed
46 Ecumenical & Interfaith Officer	2,000	2,164	2,250	Requested Budget for 2011
47 Prison Ministry	2,000	1,341	1,000	* Requested Budget for 2011
48 Companion Diocese	1,000	0	3,000	Expenses for travel related to Companion Relationship
49 ERD Coordinator			500	New request - previously funded by Bishop
50 Engaging the World	\$1,024,633	\$1,023,026	\$1,123,870	Plus \$5,700 holdover for Info Tech
51 Staff: Bishop, Sexton, Receptionist	\$299,958	\$300,378	\$318,057	
52 Insurance - Retired Lay & Clergy	180,802	144,482	145,000	2009 Change in policy
53 Administration & Finance	192,200	164,108	170,000	Combined Admin and Finance depts for clarity
54 Information Technology	40,000	17,018	38,750	Requested Budget
55 Bishop's Office	6,500	6,318	5,000	
56 Bishop's Expenses	44,110	27,177	40,841	Per Letter of Agreement
57 Buildings & Grounds	91,940	94,722	83,130	Reduction based on evaluation of budget
58 Mission Oversight/Administration	\$855,510	\$754,203	\$800,778	Plus \$5,700 holdover for Info Tech
59 TOTAL EXPENSE	\$2,501,400	\$2,397,808	\$2,576,741	Includes holdovers for COM, Sr Min, InfoTech
60 Surplus/(Deficit)	\$0	\$15	\$0	* Indicates expense items considered Outreach



A 2011 Budget Vision for the Diocese of Newark



Our stewardship of resources through the proposed 2011 Diocesan operating budget reflects our call to be passionate disciples of Jesus, living in covenant with each other and God, fully equipped, empowered and engaged to undertake God's mission as we step out into the world in audacious faith.

Equipping Congregations

The greatest resources that the budget supports for living into our Diocesan mission is the staff that is maintained at current levels in this proposal after several years of cuts. The Finance Department and Property Manager's efforts equip congregations for ministry by supporting them with their stewardship of resources. A key role of the diocese is to assist congregations with clergy transitions and ministry development that is also funded in this budget at the levels requested by the organizations.

Empowering People

The Secretary to Convention, Bishop's Executive Assistant and the Director of Resources and Training are key liaisons in empowering people in various ministries and making connections across the diocese. This staff work plus additional funding for the Commission on Ministry, the annual Clergy Conference, Namaste, Hispanic and Senior ministries empowers people, both lay and clergy, to do the work that God is calling us to do.

Engaging the World

The Canon to the Ordinary, Communications Director and Director of Youth & Young Adult ministries lead the way for our diocese in engaging the world by sharing our story and inviting others to participate.

We fully support the broader church, as we are called to step out into the world in audacious faith. Our proposed budget increases our giving to The Episcopal Church (TEC) by 1% of normal operating income – much as we are asking parishes to increase their percentage pledge to the diocese. This bold expression of our confidence in the church's ability to engage the world is consistent with our past efforts in the diocese. We continue to struggle with the unpaid portion of our pledge to TEC from 2008 and have included a minor provision toward repayment as part of our strong desire to fulfill this commitment.

The outreach component of the budget reflects our call to enter into the ever flowing stream of God's justice, emboldened by the Holy Spirit to claim the Gospel, which calls us to speak up, stand up, and act up wherever we encounter injustice against both humankind and this earth. Our total outreach spending in the 2011 budget proposal has also increased by 1% of our operating income versus last year, including domestic and international grants, the Cathedral, Prison Ministry, and funding of scholarships to Cross Roads Camp. While we would all like to do more, the increase in outreach spending in the budget reflects our intention.

Mission Oversight and Administration

A diocesan budget and staff are a necessity, not an option in the Episcopal Church. A portion of our budget is devoted to the basic administrative costs of having a Bishop, staff and building. In this, and all areas of the budget no salary increases have been included in the proposal but all other benefits including current lay pensions are fully funded. Extensive effort has been undertaken in each of the administrative functions to reduce costs in 2011 allowing for full funding for nearly every entity that made a request.

The Abundant Resources in the Diocese of Newark

Our budget is funded by our call to live into God's abundant future with nearly 84% of the income coming from pledges from the 107 parishes in the diocese. The 2011 income includes a 4% increase over expected 2010 pledging as a direct result of recognizing the gifts that we share and specifically asking parishes to give out of that abundance. The budget reflects our responsibility to support the diocese while still maintaining a voluntary program of giving. Other funding comes from investments, fees, the Bishop's Supplemental funds, Alleluia Fund drive and potential leasing of portions of Episcopal House. There are no planned reductions in investment fund principal being used as income in the 2011 budget.

In faithful response to God's leading us beyond what we ever thought was possible, we recognize the need for institutional reformation that will incarnate Christ's holy mission for our times and this budget moves us toward that vision.



Diocese of Newark 2011 Budget Line Item Detail



The following provides line by line detail of the proposed 2011 budget for the Diocese of Newark

INCOME

1. **Pledge Revenue.** Pledges were received from 68 congregations by December 10. The budget represents a reasonable estimate of what will be received in 2011.
2. **Investments.** The estimated income from investments takes into consideration the re-alignment of funds resulting from the Endowment Funds project and the spending rule established for 2011 of 4% of a rolling 12-quarter average market value. Funds are invested in the DIT Growth Fund which has a target asset allocation of 75% equities and 25% fixed income.
3. **Investment Withdrawal (Principal).** In 2010 and 2009, principal was withdrawn from the Paul Moore Bequest and from the Gleason Fund to provide additional revenue. No principal withdrawals are contemplated in the 2011 budget.
4. **Crossroads Scholarship Funds.** A number of funds have been consolidated to the Crossroads Scholarship Fund; the income from these funds is designated for the Crossroads Contribution shown on Line 24.
5. **Reimbursements/Other.** The documentation for the details of these line items in earlier years is unclear so they have been combined for 2011.
6. **Direct Administration Fee.** The diocesan staff performs accounting and other services for a number of diocesan entities for which there is a direct administrative charge. The charge to these entities has been reduced for 2011, as follows:

Entity	2010 Charge	2011 Budgeted Charge
ACTS/VIM	\$20,000	\$10,000
Ward J. Herbert	\$20,000	\$10,000
Gertrude Butts Fund	\$5,000	\$2,000
Bishop's Church Extension Fund	\$6,000	\$3,000
Epis Ch Loan Fund	\$6,000	\$3,000
George Rath Schol Fund	\$3,000	\$1,500
Aged & Infirm Clergy Fund	\$1,500	\$500

7. **WJH & ACTS/VIM Audit Fees.** Ward J. Herbert and ACTS/VIM are now included in the Council audit, so a separate audit fee is not longer necessary
8. **Investment Admin Fee.** Council has approved a change in the investment administration fee charged by the diocese to funds invested in the DIT. This fee now applies to all funds and is calculated at .0625% (6 1/4 basis points) of the market value of the fund on a quarterly basis (25 basis points per year). Because the diocese manages the relationship with TIAA-CREF, and provides staff support to investors, we are able to provide access to the institutional investment expertise and management fees that would not be available otherwise. This admin fee, combined with TIAA-CREF average management fees, total less than 1%.
9. **Panther Valley Contributions.** This congregation, though not strictly Episcopal and not currently under the authority of the bishop, makes a voluntary monthly contribution.
10. **Fund Development Work.** The Alleluia Fund was begun in 2010 to provide an additional source of funds to the diocese to enhance its work. The Alleluia Fund Committee has set a target of \$110,000 for 2011, partially offset by the planned expenses of \$5,500 included in Line 38.
11. **Bishop's Supplementary Funds.** A number of invested funds have been gifted over the years to provide income to be spent at the discretion of the bishop. In past years, these funds have been used, in part, to pay some of the operating expenses of the diocese. While we are including in the budget of the diocese all of the operating expenses, we have included a contribution from these supplemental funds to assist in offsetting this increased budget item. It is intended that, eventually, the diocesan operating expenses will be funded without this contribution, but we just can't get there in one year.
12. **Senior Ministries.** This is a one-time gift from this ministry group from their excess operating funds.
13. **Rental Income for 31 Mulberry.** Episcopal House, located at 31 Mulberry Street in Newark, is a larger facility than is needed to effectively and efficiently house the staff. As there are no plans to significantly

increase the staff or space needs in the near future, two floors have been designated for rental to a "compatible" non-profit. This budgeted amount represents a reasonable estimate of 6 months' rental income, but, until a lease is signed, is at best a guess. We have an estimate from a local realtor that the 6,000 square feet we have available could lease for \$15-\$20 per square foot.

EXPENSE

Staff expenses constitute the largest share of the expenses of the diocese. There are fourteen persons on diocesan staff; the 2011 budget contemplates no additions or reductions to staff and no salary increases. The pension cost associated with each staff member is budgeted with the employee; insurance costs are spread across the four staff line items proportionately to salaries. Medical and dental costs increase by 6.5% in 2011; staff contributes 10% to the cost of their medical insurance through payroll deduction.

Equipping Congregations

In this section of the budget, we include our diocesan Finance Office, the Bishop Anand Resource Center, and the Property Manager. Included here are the efforts of our diocese to form disciples and strengthen our faith communities for mission. It also includes the diocesan staff that helps congregations and the diocese to maintain our properties and administer our financial resources.

15. **Staff: Finance Dept & Prop Mgr.** There are three staff members in the Finance Department; salaries and benefits are included here. A full-time Chief Financial Officer is budgeted here, even though the interim is serving on a part-time basis. This position should be filled in the first half of the year. The property manager is subsidized by the Trustees, as half of his time is spent on properties owned by the Trustees, so this line item includes half of his compensation and benefits.
16. **Bishop Anand Resource Center.** Provides tools, resources and educational material to help individuals, commissions/committees and congregations work effectively. Operates both as a lending library and as a low-cost resource for books, journals and digital materials.
17. **Stewardship Committee** Ongoing work that includes conference registration and fees and additional stewardship resources for the diocese.
18. **Congregation/Clergy Ministry Development.** These are expenses of the office of Canon to the Ordinary that provide consultants and training resources to congregations and clergy during periods of ministry transition; resources for congregations needing assistance with conflict resolution, congregational growth and development, change management, mutual ministry review.
19. **Ringwood.** This line item commits the diocese to pay for the insurance on this property.

Empowering People

This section of the budget focuses on the ministries which help each of us find our voice to live as the people of God. It includes our ministries that further racial justice and cultural diversity, and our efforts to lift up lay and clergy through Education for Ministry, the annual Clergy Conference, Cross Roads Camp and the Commission on Ministry.

21. **Staff.** Salary and benefits for the Secretary of Convention, also serving as Administrative Officer of the Diocese, the Bishop's Executive Assistant and one-half of compensation cost for the Administrative Assistant for Ministry are included here.
22. **Diocesan Convention.** The projected \$72,400 costs of the annual convention will be off-set by registration fees and fees paid by vendors resulting in no operating budget impact in 2011.
23. **Christian Formation.** Expenses here include subsidies and scholarships for retreats and conferences for youth and young adults as well as a reserve to be used for young people to attend Episcopal Youth Event in 2011 and General Convention in 2012
24. **Cross Roads Camp Ministry.** The diocese commits to provide assistance to Cross Roads in support of their scholarship assistance to campers. Approximately half of the funding for this line item comes from the income received from funds given expressly for camp scholarships (see Line 4). The Crossroads staff requested a grant of \$25,000.
25. **Commission on Ministry.** Funding request is reduced for 2011 as sufficient funds have been held over from previous years. Expenses include costs for diocesan workshops on ordained and lay ministry, modest subsidies for those in discernment and ordination process, administrative costs of commission and its three committees.
26. **Clergy Conference.** An annual grant and fees charged to participants pay most of the cost of the annual fall clergy conference and Lenten clergy retreat. This line item and additional funds from the Bishop's Supplementary Funds subsidize these events so that the fees charged to participants provide approximately 60% of the total cost.

27. **Namaste.** Provides anti-racism training and related education for postulants, newly-ordained, clergy, elected and appointed diocesan lay leaders and congregations. The funds here subsidize the cost of these training events.
28. **Hispanic Ministry.** Provides information and resources to congregations who are actively engaged in or seeking to become engaged in Hispanic ministry through workshops and presentations.
29. **Bethsaida.** This group effectively ended its work and need for funding in 2009.
30. **Education for Ministry.** Subsidizes the cost to EfM participants; in 2010 there were 8 groups with a total of 70 participants.
31. **Senior Ministries.** Through generous contributions at the annual Senior Ministry Eucharist and other venues, this ministry has sufficient funds available to it to carry out its work with limited assistance from the diocese. The 2011 budget request will be used to provide honoraria to speakers.

Engaging the World

This section of the budget targets ministry beyond the Diocese of Newark and includes our pledge to The Episcopal Church and funding for our deputation to the triennial General Convention. Also included here is our funding for Outreach Grants, both domestic and international, and our ministries which focus on the incarcerated, our companion diocese relationship with Panama, and ecumenical and interfaith relations.

33. **Staff.** Salary and benefits for the Canon to the Ordinary, Director of Youth and Young Adult Ministries, and the Director of Technology and Communications are included here.
34. **The Episcopal Church.** Our pledge to The Episcopal Church (TEC) is calculated at 17.9% of our estimated Operating Income for 2011, up from 16.9% in 2010. The TEC asking for 2011 is 20% of 2009 Operating Income (less \$120,000), or \$492,203. Our approach to the 2011 budget was to start where we were in 2010 and grow our percentage giving to TEC over the next few years until we are again at 25%, the "historic" position of the Diocese of Newark.
35. **TEC 2008 Pledge Arrears.** Our pledge to The Episcopal Church in 2008 was \$609,674, of which we have paid \$129,000, leaving a balance still due of \$480,674. The budgeted amount for 2011 makes some progress toward reducing the balance due and reaffirms our commitment to eventually fulfill this pledge.
36. **Domestic Outreach.** Our commitment to funding outreach as part of our Operating Budget includes grants to domestic and international entities through the Alleluia Grant process. This budget commits us to increase our budgeted outreach to 6.6% of our Operating Income, up from 5.6% in 2010.
37. **International Outreach.** We are committed to contribute at least .7% of our Operating Income to International needs.
38. **Alleluia Fund Development.** Request by the Alleluia Fund Committee to cover expenses, principally for postage and printing.
39. **General Convention.** In concert with the 2010 budget, we will reserve one-third of the expected cost of our delegation to General Convention 2012 in each year of the triennium.
40. **Communications/the Voice.** Includes costs for the website, the Voice, Leader News, the Digest and all other diocesan communications. Expanded use of internet, less reliance on print and mail, and continuous efforts to reduce the cost of vendors lead to a lower budget for 2011.
41. **Cathedral.** This reaffirms the diocese's appreciation for and commitment to our cathedral; this grant is for the general operating budget of the Cathedral congregation.
42. **Liturgy & Music.** Designs liturgies for diocesan services (Convention, ordinations and confirmations) and provides liturgical resources for congregations throughout the year.
43. **Deacons.** Provides training and support to deacons of the diocese, includes cost for two participants at Directors/Archdeacon Conference and one participant at NAAD conference
44. **Province II.** In 2009, we committed to funding the costs of Province II for the triennium: \$7,643 in 2010; \$9,171 in 2011 and \$10,190 in 2012
45. **Immigration.** This task force has completed its work and its need for funding.
46. **Ecumenical and Interfaith Officer.** Represents the bishop and the diocese in ecumenical and interreligious relationships and dialogue. Expenses include funding ecumenical guests at Diocesan Convention.
47. **Prison Ministry.** The diocesan budget supplements funds contributed directly to this ministry with children whose parents are incarcerated and to adult inmates of Northern State Prison. Summer camperships, Saturday mentoring, and subsidized transportation to visit parents are important programs for the children; Bible-study and Prison Pen Pals are ministries with adults.
48. **Companion Diocese.** As our relationship with the Diocese of Panama is reaffirmed and strengthened, we see modest expenses for travel to/from Panama; was previously funded by Bishop's Supplementary Funds.

49. **ERD Coordinator.** Coordinates the diocese's communication about and connection with Episcopal Relief and Development (ERD). These funds pay for the ERD Coordinator to attend annual Coordinators' Network meeting.

Mission Oversight/Administration

This section of the budget funds the broad expense categories of oversight and administration, including the office of the bishop

51. **Staff.** Salary and benefits for the Bishop, the receptionist and sexton of Episcopal House, and one-half of compensation cost of the Administrative Assistant for Ministry are included here.
52. **Insurance -- retired clergy and lay.** The diocese has committed to pay for health insurance for retired clergy and spouses/dependents. For those retired (or eligible for retirement) as of 7/1/09, this commitment includes subsidizing health insurance for those not yet eligible for Medicare. Medicare-eligible retired clergy and spouses are covered under a program provided by the Church Pension Fund. The diocese also provides health insurance and a supplement to Medicare for lay employees who retired from diocesan staff.
53. **Administration and Finance.** The cost of office supplies and equipment, postage, property and liability insurance, audits, and the mortgage on 31 Mulberry.
54. **Information Technology.** The cost of technology at Episcopal House, including computer equipment, network service and the website.
55. **Bishop's Office.** Office supplies for the office of the bishop
56. **Bishop's Expenses.** Per letter of agreement, travel, entertainment, car leasing, utilities at the residence and other expenses of the bishop
57. **Buildings and Grounds.** Maintenance and utilities for 31 Mulberry