

DIOCESE OF NEWARK

Adopted 2012 Budget *

		Budget 2011	Prel. Actual 2011	Adopted Budget 2012	Notes on 2012 Budget
Income					
1	Pledge Revenue	\$2,160,000	\$2,105,152	\$2,100,000	Based on pledges received
2	Investments	76,823	79,276	90,000	Uses spending rule of 4%; no use of principal
3	Cross Roads Scholarship Fund	2,218	2,088	2,200	Income from restricted endowment
4	Direct Administration Fees	31,200	32,062	31,200	For services provided to other entities
5	Investment Administration Fee	96,500	100,062	100,000	Based on assets under management
6	Other Sources-Development Advisor	0	0	70,000	From non-operating funds
7	Alleluia Fund	110,000	94,325	90,000	Estimate of funds from direct appeal
8	Bishop's Discretionary Funds	45,000	45,000	45,000	Historical use of funds for budget items
9	Senior Ministries	5,000	5,000	0	Gift in 2011 was one-time
10	Rental Income for 31 Mulberry	50,000	3,300	25,000	Estimate of potential rental of Episcopal House
11	Total Income	\$2,576,741	\$2,466,265	\$2,553,400	
Expense					
Note: All staff lines include pension for lay and clergy, 4.5% increase in medical/dental costs, and 3% salary increase.					
Equipping Congregations					
12	Staff: Finance Dept. & Property Mgr	\$356,477	\$335,106	\$303,191	Property Mgr compensation paid by Trustees
13	Development Advisor	0	0	70,000	Funded by income in line 6
14	Bishop Anand Resource Center	2,500	1,112	2,000	Adjusted 2012 budget request
15	Stewardship	2,000	797	1,500	Adjusted 2012 budget request
16	Congregation/Clergy/Min. Development	13,000	12,292	14,100	Adjusted 2012 budget request
17	Ringwood Property Insurance	3,200	3,164	0	Trustee responsibility beginning in 2012
18	Total Equipping Congregations	\$377,177	\$352,471	\$390,791	
Empowering People					
19	Staff: Sec'y to Convention, Bishop's Exec., portion of Admin for Ministry	\$228,548	\$227,431	\$233,232	
20	Annual Diocesan Convention	0	(917)	11,000	Net of registration and vendor fees
21	Christian Formation	15,000	13,354	15,000	Adjusted 2012 budget request
22	* Cross Roads Ministry	5,000	5,000	2,200	Funded by income in line 3
23	Commission on Ministry	5,000	5,000	5,000	Adjusted 2012 budget request
24	Clergy Conference	5,400	5,250	6,400	Adjusted 2012 budget request
25	Namaste (Dismantling Racism)	3,000	1,086	1,500	Adjusted 2012 budget request
26	Hispanic Ministry	3,000	1,270	2,250	Adjusted 2012 budget request
27	Education for Ministry	1,500	1,500	1,500	Adjusted 2012 budget request
28	Senior Ministries	500	500	0	No requested funding from this commission
29	Total Empowering People	\$266,948	\$259,474	\$278,082	
Engaging the World					
30	Staff: Canon, Dir. Youth & Young Adult, Dir. of Comm., Dir. of Resources	\$394,591	\$392,470	\$404,602	
31	The Episcopal Church (TEC)	465,752	414,367	412,000	16.9% of net adjusted operating income
32	TEC 2008 Pledge Arrears	10,000	10,000	10,000	Continuation of payments of 2008 arrears
33	* Domestic Outreach Grants	145,045	122,028	128,251	5.3% of net adjusted operating income
34	* International Outreach Grants	18,037	17,010	17,070	0.7% of net adjusted operating income
35	Alleluia Fund Development	5,500	6,372	6,500	Adjusted 2012 budget request
36	General Convention 2012	17,000	17,000	17,000	One-third of expected triennial expenses
37	Communications/Voice	29,615	27,679	28,050	Eliminated printed Voice; increase web support
38	* Cathedral	3,000	3,000	3,000	Adjusted 2012 budget request
39	Liturgy & Music	3,000	2,772	2,700	Adjusted 2012 budget request
40	Deacons	5,000	4,800	4,500	Adjusted 2012 budget request
41	Province II	9,171	9,171	5,190	Reduction from \$10,190 request
42	Ecumenical & Interfaith Officer	2,250	2,116	2,000	Adjusted 2012 budget request
43	* Prison Ministry	1,000	500	500	Adjusted 2012 budget request
44	Companion Diocese	3,000	1,281	1,000	Adjusted 2012 budget request
45	ERD Coordinator	500	500	500	Adjusted 2012 budget request
46	Total Engaging the World	\$1,112,461	\$1,031,066	\$1,042,863	
Mission Oversight/Admin					
47	Staff: Bishop, Sexton, Receptionist, portion of Admin for Ministry	\$337,434	\$337,451	\$351,540	
48	Insurance--Retired Lay & Clergy	145,000	143,200	125,000	Increased costs net of cost sharing
49	Administration & Finance	170,000	168,003	180,384	Costs relating to finance and administration
50	Information Technology	38,750	24,856	33,050	Adjusted 2012 budget request
51	Bishop's Office	5,000	9,179	8,000	Costs relating to Bishop's office
52	Bishop's Expenses	40,841	48,344	46,000	Per letter of agreement
53	Buildings & Grounds	83,130	92,196	97,690	Includes maintenance of Episcopal House
54	Total Mission Oversight/Admin	\$820,155	\$823,229	\$841,664	
55	Total Expense	\$2,576,741	\$2,466,240	\$2,553,400	
56	Surplus / (Deficit)	\$0	\$25	\$0	* Indicates expense items considered as Outreach

* Adopted by the 138th Annual Diocesan Convention, January 27-28, 2012.



Diocese of Newark 2012 Budget Line Item Detail



The following provides line by line detail of the proposed 2012 budget for the Diocese of Newark.

INCOME

1. **Pledge Revenue.** Pledges were received from approximately 88% of the congregations by January 20, 2012. The budget represents a reasonable estimate of what is expected to be received in 2012.
2. **Investments.** The estimated income from investments is principally based on the spending rule that was established and used in 2011 of 4% of a rolling 12-quarter average market value of endowment funds. Funds are invested in the DIT Growth Fund which has a target asset allocation of 75% equities and 25% fixed income.
3. **Cross Roads Scholarship Funds.** A number of funds have been consolidated to the Cross Roads Scholarship Fund; the income from these funds is designated for the Cross Roads ministry shown on Line 22.
4. **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 maintained at the same level as in 2011:

<u>Entity</u>	<u>Charge</u>
ACTS/VIM	\$10,000
Ward J. Herbert	10,000
Bishop's Church Extension Fund	3,000
Episcopal Capital Loan Fund	3,000
Gertrude Butts Fund	2,000
Other	3,200

5. **Investment Administration Fee.** Council approved, effective in 2010, a change in the investment administration fee charged by the Diocese for funds invested in the DIT. This fee now applies to all funds and is calculated at .0625% (6.25 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. The total of this administration fee and the average TIAA-CREF management fee is less than 1%.
6. **Other Sources—Development Advisor.** The cost of the recently retained individual who is consulting with the Bishop and Fund Development Committee, which is reflected in Line 13, will be funded in 2012 from the Bishop's Discretionary and other funds. It is intended that this function will be self-funded in the future.
7. **Alleluia Fund Income.** The Alleluia Fund was begun in 2010 to provide an additional source of funds to the Diocese to enhance its mission work. The goal for revenue raised as part of the Alleluia Fund in 2012 is \$90,000. Expenses related to this revenue are included in Line 35.
8. **Bishop's Discretionary 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, a portion of the income from these funds has been used to pay some of the operating expenses of the Diocese. While we are including all operating expenses in the budget of the Diocese, we have included a contribution from these discretionary funds to assist in funding the operating expenses. It is intended that, eventually, the Diocesan operating expenses will be funded without this contribution.
9. **Senior Ministries.** The amount included in 2011 was from a one-time gift from this ministry group from its excess operating funds. We do not anticipate income from this source in 2012.
10. **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 Diocesan 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 not-for-profit organization. This budgeted amount represents a reasonable estimate of rental income for 2012. We have one tenant since October 2011, and we are working with a local realtor to find additional tenants.



Diocese of Newark 2012 Budget Line Item Detail



EXPENSE

Staff expenses constitute the largest share of the expenses of the Diocese. There are 14 persons on Diocesan staff. The 2012 budget contemplates no additions or reductions to staff, and reflects a 3% increase in the compensation of the staff which has not received an increase since 2010. The pension and medical costs associated with each staff member is budgeted with the employee. Medical and dental costs are budgeted to increase by approximately 4.5% in 2012; the staff contributes 10% to the cost of their medical insurance through payroll deductions.

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.

12. **Staff: Finance Department & Property Manager.** There are three staff members in the Finance Department; salaries and benefits are included here. The property manager is subsidized by the Trustees, as a substantial amount of his time is dedicated to properties owned by the Trustees. In 2011, this line item includes half of his compensation and benefits; with a full subsidy by the Trustees in 2012, none of the property manager's compensation or benefits are reflected in this budget.
13. **Development Advisor.** The estimated cost of the consultant retained to provide fund development consulting services to the Bishop and Fund Development Committee.
14. **Bishop Anand Resource Center.** This center provides tools, resources and educational material to help individuals, commissions/committees and congregations work effectively. It operates both as a lending library and as a low-cost resource for books, journals and digital materials.
15. **Stewardship.** Ongoing work that includes conference registration and fees and additional stewardship resources for the Diocese.
16. **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. In addition, this department provides resources for congregations needing assistance with conflict resolution, congregational growth and development, change management, and mutual ministry review.
17. **Ringwood Property Insurance.** This line item reflects the cost of property insurance on this property in 2011; such expense is borne by the Trustees in 2012.

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.

19. **Staff.** Salaries 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.
20. **Annual Diocesan Convention.** The estimated \$86,000 cost of the annual Diocesan convention will be partially offset by registration fees and fees paid by vendors. The 2012 registration fee was increased to \$190 per delegate, resulting in a net expense of \$11,000 for the 2012 convention. The cost of the 2011 convention was zero, the result of available credits from the 2010 convention.
21. **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 General Convention in 2012



Diocese of Newark 2012 Budget Line Item Detail



22. **Cross Roads Camp Ministry.** The Diocese provides assistance to Cross Roads in support of their scholarship assistance to campers. In 2012, all of the funding for this line item comes from the income received from funds given expressly for camp scholarships (see Line 3).
23. **Commission on Ministry.** Expenses include costs for Diocesan workshops on ordained and lay ministry, modest subsidies for those in the ordination process, and administrative costs of the commission and its three committees.
24. **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 Discretionary Funds subsidize these events.
25. **Namaste (Dismantling Racism).** 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.
26. **Hispanic Ministry.** Provides information and resources to congregations that are actively engaged in or seeking to become engaged in Hispanic ministry through workshops and presentations.
27. **Education for Ministry.** Subsidizes the cost to EfM participants; in 2011 there were eight seminar groups with a total of 70 participants.
28. **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. This committee requested no funds for 2012.

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.

30. **Staff.** Salary and benefits for the Canon to the Ordinary, Director of Youth and Young Adult Ministries, Director of Resources and Training, and the Director of Technology and Communications are included here.
31. **The Episcopal Church.** Our pledge to The Episcopal Church (TEC) of 16.9% of operating income is approximately the same dollar amount and percentage given in 2011. The TEC asking for 2012 is \$419,875. The pledged amount is slightly below the asked amount so that we can achieve a balanced budget for 2012. Our intention is to grow the percentage giving to TEC until we are again at 25%, the historic goal of the Diocese of Newark.
32. **TEC 2008 Pledge Arrears.** Our pledge to The Episcopal Church in 2008 was \$609,674, of which we have paid \$139,000, leaving a balance still due of \$470,674. The budgeted amount for 2012 continues to make some progress toward reducing the balance due.
33. **Domestic Outreach.** Our commitment to funding outreach as part of our operating budget includes grants to domestic and international entities. This budget reflects a modest increase in dollar amount and, at 5.3% of operating income, is slightly above the 5.1% in 2011.
34. **International Outreach.** We are committed to contribute at least 0.7% of our operating income to International needs.
35. **Alleluia Fund Development.** Request by the Alleluia Fund Committee to cover expenses, principally for printing, postage, and other communication costs.
36. **General Convention 2012.** As in 2010 and 2011, the budget reserves one-third of the expected cost of our delegation to General Convention 2012.
37. **Communications/the Voice.** Includes costs for ongoing development and support of the Diocesan website, the Voice, Leader News, the Digest and all other Diocesan communications. Beginning in 2012 we will prepare only one issue of the Voice, for limited distribution. Future Voice communications will rely on the use of the internet.
38. **Cathedral.** This expense reaffirms the Diocese's appreciation for and commitment to our cathedral, and provides funds for the general operating budget of the Cathedral.



Diocese of Newark 2012 Budget Line Item Detail



39. **Liturgy & Music.** Designs liturgies for Diocesan services (Convention, confirmations, and ordinations) and provides liturgical resources for congregations throughout the year.
40. **Deacons.** Provides training and support to deacons of the Diocese, including the cost for two participants at the Directors/Archdeacon Conference and one participant at NAAD conference
41. **Province II.** In 2011 we provided support to Province II in the amount of \$9,171. While the amount initially planned for 2012 support was \$10,190, that amount was reduced by \$5,000.
42. **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.
43. **Prison Ministry.** The Diocesan budget supplements funds contributed directly to this ministry to 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.
44. **Companion Diocese.** As our relationship with the Diocese of Panama is reaffirmed and strengthened, we see modest expenses relating to this activity.
45. **Episcopal Relief and Development (ERD) Coordinator.** Coordinates the Diocese's communication about and connection with 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

47. **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.
48. **Insurance—Retired Lay and Clergy.** The Diocese has committed to pay for health insurance for retired clergy and spouses/dependents. For those retired (or eligible for retirement) as of July 1, 2009, 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.
49. **Administration & Finance.** The cost of property and liability insurance, annual audits, office equipment leases, the mortgage on Episcopal House, supplies, postage, and other related costs are included here.
50. **Information Technology.** The cost of technology at Episcopal House, including computer equipment, software, network service, and other support.
51. **Bishop's Office.** Office supplies and other costs for the office of the Bishop.
52. **Bishop's Expenses.** Per the letter of agreement with the Bishop, this includes travel, entertainment, auto costs, and utilities, maintenance, and other costs relating to the Bishop's residence and other expenses of the Bishop.
53. **Buildings and Grounds.** Utilities, maintenance, and other costs for Episcopal House.