Fall Convocations 2011
Bishop
The Rt. Rev. Dabney T. Smith
Diocesan Convention
Canon Michael Durning, Judy Stark

October 21-22, 2011

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Episcopal Diocese of Southwest Florida
Endowment Fund
Policies and Guidelines

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Describes the committee’s general investment goals and objectives, risk tolerance, and target asset allocation.

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Sets up a formula that determines how the funds available for distribution will be calculated and spent.

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Establishes in advance how the church will handle bequests.

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Sets a minimum for any donor-designated funds and defines how they will be managed.

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Defines the types of gifts the Diocese may receive and how it will handle them. This applies to all gifts, not just gifts to the endowment fund.
Reports to Convention

- The business of our diocesan life
- More than financial statements....
  a snapshot of the interaction of our resources (people, churches, endowments, programs, ministries, leadership, strategy, direction)

Canon V Section 7. Reports to the Convention. a. At least ten (10) days prior to the scheduled date of the annual meeting of the Convention, the Council shall submit the following reports to the Bishop, the Secretary of the Convention, every clergy Member of Convention, and the secretaries of the congregational councils of every Congregation:

1. an audited financial statement of the affairs of the Diocese for the past year, and
2. a proposed budget for the Diocese, and
3. a schedule showing the proposed apportionment against each Congregation to meet the cost of the proposed budget, and
4. a report of the activities of the Council for the preceding year, and
5. an analysis of the annual reports of the Congregations as made on the form required by the General Convention of the Episcopal Church.
The diocese is a function of the individual churches
  - Look at Journal (available on website)
  - Improving accuracy of the numbers

Observations on 2009 - 2010:
  - Flat: Attendance, Signed Pledge Cards, Operating Income
  - 40% Growth in Capital Income
  - Steady 6% Increase: Additions to Endowment
  - More Cash in Checking/Savings
• How we fund the annual budget
  • For individual church budgeting

• Exhibit A and B (apportionment calculation)
  • Shared responsibility: 10% biblical tithe

• Monthly Apportionment Blast Email:
  • Full participation:
    • 2010: Wrote off only 3.8%
    • 2011 through August: 5% unpaid (late)
• Transparency

• Clarity in Governing Policies and Procedures
  • Revolving Loan Fund
  • Apportionment
  • Endowment Fund
  • Retiree Benefit

• Diligent and thoughtful decision-making process

• www.episcopalswfl.org
• The institutional record of our diocese
A budget is teaching your donors how you will manage their resources…

**Restricted Funds:** (Page 26)
- $6.3 Million / $207,089 to be distributed in 2012

**Honor our Tradition**
- Benefit of elderly
- Congregation Loans
- Missions
- Bishop Discretionary
- Theological Education
- Growth of Episcopal Church
- Underprivileged
- Homeless and Hungry
- College Chaplaincy
- Cemetery
A budget is a plan that sparks conversations…

**Designated Funds:** (Page 25)
- Revolving Loan Fund
- Mission Fund
- Episcopal Charities
- DaySpring Endowment

- $5.4 Million / $171,645 to be distributed in 2012

- Finance & Sub Committees
- Congregational Development
- Diocesan Council
- Endowment Fund Board
- Targeted Workshops
- Fresh Start
- DHP/LPS Task Force
- Clericus Meetings
- Vestry Meetings
A budget prepares carefully for the future…

**Capital Budget:** (Page 24)
- New Diocesan House at DaySpring in 2012
- Cash Operating Reserves of $1.3 Million

- September 2011: Groundbreaking
- April 2012: Move to DaySpring
More than just an annual operating budget…

**Operating Budget: All Accounts Overview**

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>Capital</th>
<th>Total</th>
<th>Designated</th>
<th>Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apportionment Income</td>
<td>$2,835,895</td>
<td>$354,035</td>
<td>$3,189,930</td>
<td>$-</td>
<td>$-</td>
<td>$3,189,930</td>
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<tr>
<td>Investment Income</td>
<td>$8,000</td>
<td>$-</td>
<td>$8,000</td>
<td>$171,645</td>
<td>$207,089</td>
<td>$386,733</td>
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<tr>
<td>Designated/Restricted Contributions</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$30,000</td>
<td>$-</td>
<td>$30,000</td>
</tr>
<tr>
<td>Total Income</td>
<td>$2,843,895</td>
<td>$354,035</td>
<td>$3,197,930</td>
<td>$201,645</td>
<td>$207,089</td>
<td>$3,606,663</td>
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<tr>
<td><strong>Income Released from Restricted</strong></td>
<td>$170,147</td>
<td>$-</td>
<td>$170,147</td>
<td>$36,942</td>
<td>$(207,089)</td>
<td>$-</td>
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<tr>
<td><strong>Income Released from Designated</strong></td>
<td>$51,786</td>
<td>$-</td>
<td>$51,786</td>
<td>$(79,202)</td>
<td>$-</td>
<td>$(27,416)</td>
</tr>
<tr>
<td><strong>Contribution to Mission Fund</strong></td>
<td>$-</td>
<td>$(200,000)</td>
<td>$(200,000)</td>
<td>$200,000</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Transfers</strong></td>
<td>$221,933</td>
<td>$(200,000)</td>
<td>$21,933</td>
<td>$157,739</td>
<td>$(207,089)</td>
<td>$(27,416)</td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congregational Support</td>
<td>$(343,500)</td>
<td>$-</td>
<td>$(343,500)</td>
<td>$-</td>
<td>$-</td>
<td>$(343,500)</td>
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<tr>
<td>Ministry</td>
<td>$(883,273)</td>
<td>$-</td>
<td>$(883,273)</td>
<td>$-</td>
<td>$-</td>
<td>$(883,273)</td>
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<tr>
<td>Administration</td>
<td>$(1,785,969)</td>
<td>$(207,120)</td>
<td>$(1,993,090)</td>
<td>$-</td>
<td>$-</td>
<td>$(1,993,090)</td>
</tr>
<tr>
<td>Designated/Restricted Fund Disbursements</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$(316,000)</td>
<td>$(6,000)</td>
<td>$(322,000)</td>
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<tr>
<td>Total Expenses</td>
<td>$(3,012,743)</td>
<td>$(207,120)</td>
<td>$(3,219,863)</td>
<td>$(316,000)</td>
<td>$(6,000)</td>
<td>$(3,541,863)</td>
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</tbody>
</table>

**Net Total**

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>Capital</th>
<th>Total</th>
<th>Designated</th>
<th>Restricted</th>
<th>Total</th>
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<td>$53,085</td>
<td>$(53,085)</td>
<td>$(0)</td>
<td>$43,384</td>
<td>$(6,000)</td>
<td>$37,384</td>
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</table>
Operating Budget: Summary and Detail (Pages 19-23)

- Apportionment Income Constant

Presentation For Clarity:
- Released from Designated/Restricted Fund income presented with the expense
- Capital-related areas shaded

Uncollectible Apportionment Allowance Assumption:

From:
10% of apportionment income

To:
8% of apportionment income

Contributes $61,303 to other parts of budget
Reports to Convention
2012 Diocesan Budget (4)

Operating Budget: Summary and Detail
(Pages 19-23)

- Doing more with the same resources

Increases over last year budgeted amounts:

- Mission/2020 Plan $100k
- General Convention $60k
- Seminarian Relocation to Diocese $15k
- Regional Youth Leader Coordination $15k
- Cultural & Ethnic Ministries $15k
- Bishop Endowment Appeal $15k

= $220,000
Real Progress in Shared Diocesan Life and Mission Clarity

- Accuracy and Transparency
- Better understanding of ourselves
- Coordination in articulating plans and energy
- Focus/allocate the resources to these plans
- Responsive, Adaptive, Nimble in Complex Environment
- Growth and Effectiveness in Mission
Reports to Convention
Audited Financial Statements (5)

- Due September 1 (same as churches)
- Accepted by Diocesan Council
- Available on diocesan website
Questions and Meet & Greet

Thank you