Table of Contents

A  Diocesan Staff and Officer Directory
B  Web Roadmap to Resources
C  Structure of the Church
D  The Work and Function of the Vestry
E  Parochial Reports
F  Diocesan Budget
G  General Clergy and Lay Benefit Forms
H  Payroll Documents
I  Sample Senior Warden Description
J  Parish Financial Review
K  Cash Management and Marmion Loan Fund
L  Church Finance Today
M  Episcopal Payroll Services
N  Church Insurance Agent Contact Information
Diocesan Staff and Officer Directory
BISHOP'S STAFF

DIOCESAN OFFICE
425 S. 2nd St., Suite 200
Louisville, KY 40202
502-584-7148
800-222-3462
FAX: 502-587-8123

VIII BISHOP OF KENTUCKY
The Rt. Rev. Terry A. White
Email: bishopwhite@episcopalky.org
ext. 246

CANON TO THE ORDINARY
TRANSITION OFFICER
The Rev. Canon Amy Real Coultas
Email: amy@episcopalky.org
ext. 246

CANON FOR CONGREGATIONAL VITALITY
The Rev. Canon Jason D. Lewis
Email: jason@episcopalky.org
ext. 239

CONTROLLER
Vicky Kaeser
Email: vicky@episcopalky.org
ext. 240

FINANCIAL ASSISTANT
Brian Thomas
Email: brian@episcopalky.org
ext. 248

ACTING COORDINATOR FOR YOUTH & YOUNG ADULT MINISTRIES
The Very Rev. Katherine Doyle
Email: youth@episcopalky.org
502-584-7148

ASSISTANT FOR ADMINISTRATION & COMMUNICATIONS
(vacant)
ARCHDEACON
The Ven. Dr. Rose Bogal-Allbritten 270-293-9490
Email: rosebogal@gmail.com

CHAPLAIN TO THE RETIRED CLERGY & SURVIVING SPOUSES
The Rev. Dr. Georgine Buckwalter 502-425-7409
Email: plmrcfl@twc.com

DIOCESAN OFFICERS

CHANCELLOR
F. Hampton Moore, Jr. 270-782-6666
Email: hmoore@coleandmoore.com

SECRETARY OF THE DIOCESE
Kay Shields Wilkinson 502-429-5539
Email: kay@episcopalky.org

TREASURER
David Brooks 502-292-1790
Email: david.brooks42@twc.com

ASSISTANT TREASURER
James (Jim) M. Barnes 502-587-6011, ext. 11
Email: verger@calvaryepiscopalky.org

INTERIM DIRECTOR OF ALL SAINTS CENTER
Bill Beam 270-259-3514
Email: bill@allsaintscenter.org

HISTORIOGRAPHER
The Rev. Jim Wilkinson 502-429-5539
Email: jnw@episcopalky.org
Web Roadmap to Resources
The Episcopal Diocese of Kentucky

Web Roadmap to Resources
Congregational Leadership Conference

This resource is meant to help church leaders navigate the diocesan website (www.episcopalky.org) to find the resources that are available. In this document, a roadmap will be given to find the following documents:

- Parochial Report
- Church Leadership Report
- Pension & Health Benefit Information
- Mission Funding Information and Forms
- Financial Review Documents
- Manual of Business Methods in Church Affairs
- 2018 Federal Reporting Requirements for Episcopal Churches
- 2017 Clergy Tax Guide
- Church Finance Today
- Safeguarding God’s Children

PAROCHIAL REPORT

CHURCH LEADERSHIP REPORT
2. Under the CHURCH ADMINISTRATION tab, select PAROCHIAL REPORTS.

PENSION & HEALTH BENEFIT INFORMATION

MISSION FUNDING INFORMATION & FORMS
2. Under the CHURCH ADMINISTRATION tab, select PENSION & HEALTH BENEFITS or MISSION FUNDING.

CHURCH FINANCIAL REVIEW INFORMATION
2. Under the CHURCH ADMINISTRATION tab, select FINANCIAL REVIEW GUIDELINES.
3. Select the document you want.

MANUAL OF BUSINESS METHODS IN CHURCH AFFAIRS

2018 FEDERAL REPORTING REQUIREMENTS FOR EPISCOPAL CHURCHES

2017 CLERGY TAX GUIDE
2. Under the CHURCH ADMINISTRATION tab, select FINANCIAL PUBLICATION & RESOURCES.
3. Select the document you want.

Embracing Christ, Engaging the World
CHURCH FINANCE TODAY
2. Under the CHURCH ADMINISTRATION tab, select FINANCIAL PUBLICATION & RESOURCES.
3. Under the Quick Links sidebar, select CHURCH FINANCE TODAY (PASSWORD REQUIRED).
4. Enter in the password “DioKYFinance” (without the quotation marks).
5. Select the edition you want.

SAFEGUARDING GOD’S CHILDREN
2. Under the CLERGY & CHURCH tab, select SAFEGUARDING TRAINING.
Structure of the Church
Congregational Leadership Conference

"Episcopal Church Polity 101"

Presenter:
Hamp Moore
Chancellor

Why does TEC need a formal church government structure?

- 1,800,000 baptized members (2015)
- 109 Dioceses and three regional areas (2014)
- 17 countries (2014)
- 6,500 Parishes and Missions (2015)
- Nearly 300 active bishops (2014)
- Approximately 7,000 full time clergy (2015)
- Province of The Anglican Communion
  - 44 regional and national autonomous churches
  - 80,000,000 members in approximately 170 countries

What is Church Polity?

- Webster's dictionary includes: a specific form of church government
- One of our sister churches says it is "the cloth which binds the churches together in a denomination" (UCC)
- Polity is the manner in which a denomination governs and administers its life and relationships among the individuals, churches and groups within it (UCC)
Three Forms of Church Polity

• 1. Episcopal – bishop as overseer / hierarchical
• 2. Congregational – house church / no external authority
• 3. Presbyterian – council of elders / shared authority

Episcopal Church polity combines Episcopal and Presbyterian forms of government

TEC Governance – Historic Foundations

• TEC founded in 1780's after American Revolution
• Church of England required loyalty to the British Crown
• Founders of TEC "accomplished a task of heroic proportions and one for which there were few, if any, ecclesiastical precedents" (White, Dykman)
• TEC Constitution founded on premise that those who are to be governed by ecclesiastical laws have the right to participate in their formulation (White, Dykman)

TEC Governance – History Making Development

• Historic Breakthrough: Significant involvement of laity in governing the Church
• "Without the order of laity permanently making a part of our assemblies, it were much to be apprehended that laymen would never be brought to submit to any of our ecclesiastical laws." (Wm. White, Memoirs of Protestant Episcopal Church, 1640)
• Many will say this is the signal achievement of the formation of this new church
• Raised the bar for church governance throughout Christianity over the next 200 years
Three Tiers of Church Government

- Top Tier: The General Convention
- Next Level: Dioceses
- Bottom Tier: Individual Parishes

- All Tiers are governed by the Constitution and Canons of The Episcopal Church
- Dioceses also have constitutions and canons, but all must accede to, and are subordinate to, TEC Constitution and Canons

Declaration of Conformity

- All Episcopal clergy -- including bishops -- take an oath at ordination
- "I solemnly declare that I do believe the Holy Scriptures of the Old and New Testaments to be the Word of God, and to contain all things necessary to salvation; and I do solemnly engage to conform to the doctrine, discipline, and worship of The Episcopal Church" (BCP, pp. 519, 525, 533).

The General Convention

- Highest authority in the Church
- Holds legal supremacy over all other levels of church government
- Keeps and exercises power in a highly centralized form of government
- It can delegate authority to other levels of government which are subordinate to it (e.g., dioceses, parishes)
The General Convention

Structure

- Two Chambers: House of Deputies (clergy and lay in equal representation) and House of Bishops
- House of Deputies is senior house
- House of Bishops initially could not create legislation, only revise, reject or approve
- Both Houses must approve all legislation in exactly the same form
- This includes amendments to TEC Constitution and any changes to TEC Canons
- General Convention meets once every three years

House of Deputies

- House of Deputies is senior house and it elects its own president (clergy or lay) for a 3 year term
- Up to four clergy and four lay deputies are elected by each diocese
- Each diocese entitled to same number of deputies, regardless of size of diocese
- Deputies are not representatives of their dioceses, but vote their consciences

House of Deputies: Vote by Orders

- Some matters require, but all may be voted on, by separate but concurring votes of the two orders
- In a vote by orders, a measure must be approved by a majority vote in both the clergy and the lay order
- To pass in lay order: measure must receive 3 or 4 yes votes
- If the lay deputation splits and votes 2 yes and 2 no, the measure is defeated in that deputation and constitutes a 'no' vote
- The same rules apply to the clergy deputies of a given deputation
House of Deputies: Vote by Orders

- For a measure to pass in the House of Deputies on a Vote by Orders:
  - Each diocese has one clergy order vote and one lay order vote
  - The measure must be approved by a majority vote of the clergy and lay orders
  - Example: if there are 100 lay deputations and 54 vote 'yes', 46 vote 'no' and 10 are split, the measure fails in the lay order

House of Bishops

- House of Bishops is headed by Presiding Bishop
- Presiding Bishop is elected by House of Bishops and consented to by House of Deputies
- PB has a 9 year term
- PB is also administrative head of TEC and Primate for purposes of Anglican Communion
- All bishops – active or retired – are entitled to vote in the House of Bishops

General Convention: Powers

- Only General Convention can revise the Book of Common Prayer
- Only General Convention can amend TEC Constitution (requires the affirmative vote of two successive conventions and notice to dioceses)
- It adopts a budget for TEC for the next 3 years ("triennium")
- Sets rules for clergy ordination and discipline
- It may establish an ultimate Court of Appeals on Doctrine, Faith or Worship, but has never done so
General Convention: Powers

- There are no courts which are charged with interpreting TEC constitution and canons
- The only courts that exist have been formed to deal with clergy discipline
- General Convention is "the ultimate hierarchical legislative and jurisdictional authority" (R. Royce, affidavit 2006)
- General Convention "possesses unlimited legislative authority and is the highest authority for questions of Doctrine, Discipline and Worship of TEC" (R. Wright, affidavit, 2006)

General Convention: Powers

- It has established business practices which are binding on church entities, including dioceses and parishes
- New dioceses can be formed only with the consent of General Convention
- New dioceses must agree in writing to accede to TEC constitution and canons
- A diocese can not withdraw from TEC without General Convention action (official and majority view)

TEC's Corporate Status

- The Episcopal Church is a voluntary unincorporated association headquartered in New York
- It has a 501(c)(3) church/non-profit tax designation which is an umbrella designation and can be used by all TEC-related or controlled entities (e.g., dioceses, parishes)
- TEC controls a non-profit corporation, The Domestic and Foreign Missionary Society, which owns much of the property and assets of the church
Dioceses: Structure
- A diocese is a regional, geographically-defined unit of governance which is subordinate to the General Convention.
- Each Diocese elects its own bishop, subject to consent of other bishops with jurisdiction and diocesan standing committees.
- It is governed by its bishop and a legislature, often referred to as a "convention" or "synod.”
- Each diocesan convention adopts and amends its own constitution and canons, provided that such constitution and canons do not conflict with TEC constitution and canons.

Dioceses: Convention
- The diocesan convention or synod consists of all clergy canonically resident in the diocese.
- And delegates elected or appointed from the parishes and missions of the diocese, usually based on size.
- The diocesan convention:
  - Elects clergy and lay members of the standing committees/council.
  - Usually elects or consents to the appointment of members of the diocesan clergy disciplinary board.
  - Approves the budget of the diocese.
  - Elects the bishop of the diocese.
  - May amend diocesan constitution and canons.

Dioceses: Bishops
- The ecclesiastical authority of a diocese is its elected bishop.
- The bishop is the temporal and spiritual head of the diocese.
- The bishop is part of the historic, apostolic succession.
- The election must be consented to by a majority of diocesan standing committees and bishops with jurisdiction.
- Subject to canonical restrictions, a diocese may elect one or more suffragens or assisting bishops or a bishop coadjutor who will become the next diocesan bishop when the current bishop retires.
Dioceses: Standing Committee

- Each diocese is also governed by a standing committee of clergy and lay persons.
- The standing committee acts as a council of advice to the bishop and shares some governance responsibilities.
- Acts as the ecclesiastical authority in the absence of a bishop.
- Recommends persons for ordination.
- Must approve alienation and encumbrance of real property owned by a parish.

Dioceses: Executive Council

- Most dioceses also have elected Executive Councils.
- Councils tend to deal with real property ownership, asset holding and management and programming.
- Often councils are set up as non-profit corporations.

Dioceses: Corporate Entities

- Many dioceses have non-profit corporate entities which they control with respect to owning property and other assets.
- All such non-profit corporate entities must also accede to TEC and diocesan constitution and canons.
Parishes and Missions

- The lowest level of governance is an individual parish or congregation.
- All parishes must accede to the constitution and canons of TEC and the diocese.
- Parishes may not alienate or encumber real property without diocesan approval.
- The rector is responsible for worship, spiritual, and temporal affairs of the parish.
- The rector controls the building used by the parish.
- Business and financial affairs are controlled by the vestry.
- The vestry calls the rector, subject to approval of the diocesan bishop.
- The rector presides at vestry meetings.

Parishes

- A parish may be admitted to a diocese only by action of the diocesan convention.
- A parish may withdraw from the diocese only with the consent of the diocese (majority view).
- Persons who leave the diocese may not take real property with them under any circumstances (majority view).
- Parish members elect the vestry.
- Parish members do not approve the budget of the parish.
- A pastoral relationship between the rector and the vestry can not be terminated by either party, only by a dissolution negotiated by the bishop.

Parishes: Corporate Status

- Many dioceses permit parishes to incorporate as non-profit corporations.
- Dioceses must approve articles of incorporation and amendments.
- As such, parishes may own their own real property.
- As such, the diocese may be shielded from liability for parish obligations.
- Any such civil/secular entity is subject to TEC and diocesan constitution and canons.
- In some dioceses, parishes are unincorporated associations but still may own their own property.
- The parish may not alienate or encumber its property without the consent of the bishop and standing committee of the diocese.
Governance: Provinces
- There are 9 provinces which are primarily networks for ministry cooperation
- Province IX consists of non-USA dioceses
- Each province elects one clergy and one lay person to serve on the TEC executive council
- Each province establishes a court of review for appeal of clergy disciplinary matters from a diocese within the province

Governance: Executive Council
- The Executive Council is composed of the Presiding Bishop, President of the House of Deputies and members elected by the Provinces and by General Convention
- It is charged with carrying out the mission of the church between General Conventions
- It is bound by the triennial budget approved by the General Convention

Governance: CCAB
- There are several committees, commissions, agencies and boards that work during the triennium between General Conventions to further the ministry of the church.
- Members are appointed by the President of the House of Deputies and the Presiding Bishop; some appointments are confirmed by General Convention
- Most CCAB report to the Executive Council and General Convention and often recommend legislation or constitution or canonical changes
Keep On Trekking...
- The 2003 General Convention reduced the number of standing commissions to two:
  - Liturgy and Music
  - Structure, Governance, Constitution and Canons
- Almost all the other commissions became task forces which likely run for 3 years at a time
- It is examining the very structures you have just become experts on... and who knows what the polity of the church will look like in a few years!

Sources and Bibliography
- Thank you to the following:
  - M. Weaver, Introduction to Christianity, 1998
  - Robert Rowe, Canon Law lawyer, affidavit in Grace case, 2008
  - Robert Bruce Mullin, Professor, General Theological Seminary, affidavit in Grace case, 2008
  - D. Holmes, A Brief History of the Episcopal Church, 1993
  - M. K. R. and D. Bere, Appellate Brief, Quincy vs. EEC, 2014
  - L. R. Hit, Adj. Prof., Lectures from "Anglican and Episcopal Polity and Canon Law" Iliff School of Theology, 2004 - 2014
The Episcopal Diocese of Kentucky

Structure of the Episcopal Church, the Diocese of Kentucky, and its Parishes and Missions
Congregational Leadership Conference

OBJECTIVE
Within the time allotted, registrants should become familiar with the structure of the Episcopal Church and the place within the Church of the Diocese of Kentucky and each of its parishes and missions. This segment will refer to the principal governing documents for each organization: the Constitution and Canons of Church and the Charter and Canons of Diocese of Kentucky.

I. STRUCTURE OF THE EPISCOPAL CHURCH. SO, WHAT IS THE EPISCOPAL CHURCH?

A. The Church is its Members. The Book of Common Prayer provides that Holy Baptism is the full initiation by water and the Holy Spirit into Christ’s Body in the Church.

1. All persons who have received the Sacrament of Holy Baptism with water in the name of the Father, and of the Son, and of the Holy Spirit, whether in an Episcopal Church or in another Christian Church and whose baptisms have been duly recorded in an Episcopal Church, are “members” of the Episcopal Church. GC Canon I.17.1(a). Members of 16 years of age and over are “adult members”. GC Canon 17.1.1(b). The GC Canons I.17.2 and 3 are more specific.

2. Non discrimination. “No one shall be denied rights, status or access to an equal place in the life, worship, and governance of this Church because of race, color, ethnic origin, national origin, marital status, sex, sexual orientation, disabilities or age, except as otherwise specified by Canons.” GC Canons I.17.5 and III.2.

B. The Church is a General Convention. The Constitution establishes a General Convention as its governing body. The General Convention is composed of a House of Bishops and a House of Deputies.

1. The General Convention meets not less than once every three years and may hold special meetings as called. Const. Art. I.7; GC Canons I.1.4 and I.1.3. When in session, it, inter alia, adopts a tri-annual budget, elects (once every three years) a Presiding Bishop, considers and may adopt proposed amendments to the Constitution and Canons, and takes other actions (such as statements on social issues) through the adoption of Resolutions.

The House of Bishops is composed of more than 300 Bishops. Const. Art. I.2, including the 8th Bishop of Kentucky, Terry Allen White, and the 6th Bishop of Kentucky, David Reed. The Presiding Bishop, Katherine Jefferts Schori, is President of the House of Bishops.

The House of Deputies is composed of Clerical and Lay Deputies elected to represent the 99 domestic Dioceses and 10 overseas area Missions including Convocation of the American Churches in Europe which have been admitted to union with the General Convention. Const. Art. I.4; GC Canon 1.1.4. Each Diocese is represented in the House of Deputies by four clergy deputies and four lay Embracing Christ, Engaging the World
deputies. The deputies from the Diocese of Kentucky are elected by the Diocesan Convention.

C. The Church is a Corporation. The Episcopal Church performs its temporal acts through a New York corporation, “The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America” incorporated in New York in 1821. This corporation, whose federal tax identification number 13-5562208, is recognized for federal and state income tax purposes as a “central organization holding a group exemption letter, whose subordinate units covered by the group exemption” are exempt from income taxation and reporting and are included as having contributions by their donors deductible from the donors’ income taxes, even though the subordinate units are not separately listed with the IRS. “Subordinate units” include dioceses, parishes and missions, and subsidiary entities which are “in communion with the Church”.

D. The Church is its Ministers. GC Canon III.1.3 recognizes four orders of ministry, one lay and three ordained.

1. Ministers of the Laity.
   a. All baptized persons are called to ministry in Christ’s name to serve the Church’s mission. GC Canon III.1.1.
   b. GC Canons III.4.1 through III.4.9 authorize licensure of lay persons as Pastoral Leaders, Worship Leaders, Preachers, Eucharistic Visitors, Evangelists and Catechists.

2. The Diaconate.
   a. Deacons serve under and are accountable to the Bishop or Ecclesiastical Authority. GC Canons III.7.1.

3. The Priesthood.
   a. Engagements of Priests. GC Canon III.9
      (i) Calling to serve as a Rector in a Parish. GC Canon III.9.3(a). Only a Parish Vestry can call a Rector, but vestry must give diocesan Bishop not less than 60 days to “communicate” with the vestry before a call, GC Canon III.9.3(a), a candidate for Rector may not be called from another diocese until Letters Dimissory from the former diocese have been accepted in the new diocese, GC Canon III.9.4(b), and the Bishop has issued a license to the priest to minister in the diocese. GC Canon III.9.6(a).
      (ii) Priests-in-Charge. Appointed by Bishop in consultation with vestry or bishop’s committee when there is no Rector or Vicar. GC Canon III.9.3(b). Once installed, a Priest-in-Charge shall exercise the duties prescribed for a Rector subject to the authority of the Bishop.
      (iii) Assistants in Parishes. Assistant ministers are selected by the Rector and report to the Rector but become employees of the parish corporation. GC Canon III.9.3(c).

4. Specific Duties of Rectors and Priests-in-Charge. GC Canon III.9.5.
   a. They have full authority w/r/t conduct of worship and spiritual jurisdiction of parish subject to BCP, Constitution and GC Canons, diocesan Canons and Embracing Christ, Engaging the World
pastoral directions of the Bishop. GC Canon III.9.5(a)(1). They have authority to exclude worship functions by others. GC Canons III.9.6(b and c).

b. Entitled to use and control of parish buildings and “appurtenances” and access to all records and registers maintained by or on behalf of congregation. GC Canon III.9.5(a)(2).

c. Instruct w/r/t doctrine, discipline and worship of the Church. GC Canons III.9.5(b)(1 – 5).

d. Rector’s discretionary fund. GC Canon III.9.5(b)(6).

e. Read and communicate Pastoral Letters and Position Papers to congregation. GC Canon III.9.5(b)(7 and 8).

f. Maintain Parish Register. GC Canon III.9.5(c).

g. Release, Removal and Reconciliation with vestry provided for in GC Canons III.9.6(d) and III.9.7 to III.9.13. Each of these situations involves the Bishop.

II. STRUCTURE OF THE DIOCESE OF KENTUCKY. WHAT IS THE DIOCESE OF KENTUCKY?

A. It is the geographical portion of the Church located in the Western half of Kentucky (Ky. Canon 2), which “accedes to and recognizes itself as subject to the Constitution and Canons of the Protestant Episcopal Church in the United States of America, as presently adopted and as hereafter amended by the General Conventions” of the Church. Ky. Canon 1. In ecclesial history, the Diocese is the only local unit of the Episcopal Church and it has 30+ local locations, called congregations.

   1. The membership of the Diocese consists of all Baptized Lay persons enrolled in congregations of the Diocese and all Bishops and Clergy of the Church who are canonically resident in the Diocese. Ky. Canon 3.2.

B. It is a Convention composed of Clergy and Lay Deputies who are elected by their congregations. It meets at least annually. Ky. Canon 4.1

   1. The Bishop of Kentucky is, ex officio, the President of the Convention and the Presiding Officer of the Convention, when in attendance and not entering into debate. Ky. Canons 4.1 and 7.1.

      a. The composition, from time to time, and meetings of the Convention are provided for in Ky. Canons 4, 5, 6 and 8.

      b. All clergy canonically resident in diocese are deputies to Convention.

      c. Each parish, mission and recognized ecclesial community which is in communion with the Diocese elects from one to five lay deputies to Convention depending upon its number of adult member communicants in good standing. Ky. Canon 4.3.

      d. The Convention adopts an annual budget for operation of the Diocese, amends Canons governing the temporal affairs of the Diocese and each of its
parishes, missions, etc., and may adopt guidance in the form of Resolutions for mission and ministry.

C. It is a corporation. The property of the Diocese is held by, and during the recess of the Convention the temporal affairs of the Diocese are conducted in the name of, a Kentucky religious, non-profit corporation created by its Charter, or articles of incorporation, of record in the Office of the Secretary of State of Kentucky and named “The Protestant Episcopal Diocese of Kentucky, Inc.”. Ky. Canon 3.1. A copy of the current Charter of the diocesan corporation is found in the 2017 Journal at pages D36 to D39 and through a link on the diocesan website.

1. The corporation’s powers are, however, limited by the provisions of the Constitution and Canons of the Church and the Canons of the Diocese. Ky. Charter Art. IV.4.

2. The corporation is managed by its board of directors, which is named Trustees and Council (“T&C” in this outline). Ky. Charter Art. V.1; Ky. Canons 17.1, 17.5 and 17.6.

   a. T&C is composed of the Bishop as President, the Secretary of the Diocese, the Treasurer of the Diocese, the Chancellor of the Diocese, six (6) Lay adult member communicants in good standing elected by the Convention for three year staggered terms, six (6) Presbyters elected by the Convention for staggered three year terms, one Lay youth between 14 and 18 nominated by the Bishop and confirmed by T&C, up to three (3) other Lay persons nominated by the Bishop and confirmed by T&C, and one (1) Deacon nominated by the Bishop and confirmed by the Convention. Ky. Charter Art. V.2; Ky. Canon 17.1. Elected members of T&C may serve two consecutive terms, in addition to unexpired terms, but then may not be reelected until at least one year has elapsed. Ky. Canon 17.2.

   b. T&C prepares and submits to the Convention for approval a unified, annual budget for the operation of the Diocese and the Diocesan office, and to promote existing and new ventures in mission and ministry in the diocese, the nation and the world. Ky. Canon 16. The largest part of the revenues for each such budget is comprised of pledges from each Parish, Mission and Congregation of the Diocese.

CI. STRUCTURE OF PARISHES AND CONGREGATIONS. CONGREGATIONS “IN UNION WITH THE DIOCESE OF KENTUCKY” CONSIST OF PARISHES, AIDED PARISHES, ORGANIZED MISSIONS AND ECCLESIAL COMMUNITIES.

A. The Establishment of new Parishes and Congregations, which can include missions and “ecclesial communities”, is left to the several diocesan conventions, as well as their “boundaries”. GC Canons I.13.1(a) and I.13.3. Christ Church Cathedral is considered for most purposes as a parish. St. Luke’s Chapel at the Episcopal Church Home in Louisville is an example of an ecclesial community.

B. Admission of Parishes into Convention. The recognition of a congregation as a Parish in union with the Convention is provided for in Ky. Canon 19.

1. A congregation is required to prove that it has sufficient members and will be, and will remain, financially self supporting as a condition to being admitted to the diocesan convention as a Parish. Ky. Canons 19.2 and 19.3.

Embracing Christ, Engaging the World
2. Ky. Canon 19.1 provides that each parish shall be organized as a religious corporation, without members, under Kentucky’s religious, non-stock, non-profit corporation statutes, KRS 273.160 to KRS 273.401 and 273.600 to 273.645.

3. A Parish desiring reception into union with the diocesan convention must show that its articles of incorporation provide that the Parish is bound by the Constitution and Canons of the Church and the Canons of the Diocese and will adhere to the “doctrine, discipline and worship of the Church and the Church in the Diocese”. Ky. Canon 19.1.

C. Parishes are authorized to own their real and personal property in the corporation’s name, but included, *inter alia*, in the doctrine and discipline of the Church are the “Dennis Canons”. GC Canons I.7.4 and II.6.4 provide that all real and personal property of the parish is subject to a trust in favor of the Church and the Diocese. GC Canons I.7.3 and II.6.2 and 3 provide that no part of the real property may be sold or alienated without the prior written consent of the Bishop and the Standing Committee of the Diocese. Ky. Canon 23.6 restates this provision. GC Canon II.6.4 provides that no consecrated church or chapel may be removed or altered for common use without the previous consent of the Standing Committee of the Diocese. Ky. Canon 15.7 goes further to restrict vestries from incurring large amounts of debt without the approval of the Bishop and either the Standing Committee or the Finance Committee of the Diocese.

D. Parishes may not amend their articles of incorporation or file amendments with the state without first receiving prior written approval of the amendments from the Bishop and either the Chancellor or the Vice Chancellor. Ky. Canon 23.6.

E. Parishes are required to adopt bylaws for internal governance. Such bylaws are to be discussed with the Canon to the Ordinary and reviewed by either the Chancellor or the Vice Chancellor. Diocesan Policy Manual V.D.

F. Upon failure to meet parish, or aided parish, criteria, a parish ceases to exist as a parish of the Diocese, but may continue as a mission congregation, and the parish’s real and personal property is to revert to the Diocese. Ky. Canons 19.4, 19A.2(d) and 19A.3(c).

G. Merger and Consolidation of congregations is provided for by Ky. Canon 20. Ky. Canon 22.3 allows for a transition composition of the Vestry of a Parish following a merger or consolidation.

H. Aided Parishes. The diocesan Convention may establish a congregation as an aided parish as an intermediate status between the status as an organized mission and a parish based upon its ability to pay at least 75% but less than 100% of its budget from its own resources for not more than five years. Ky. Canon 19A.

I. Organized Missions and Ecclesial communities.

1. A congregation may be recognized by the Bishop as either a Mission or as an Ecclesial Community. Ky. Canon 18.1.

2. A mission congregation becomes an Organized Mission or Ecclesial Community with right to representation in the diocesan convention when: it has 10 or more adult confirmed lay members; the members accede to the Constitution and Canons of the Church and the Canons of the Diocese; it has sufficient financial support; and, it is recognized by the Standing Committee. Ky. Canon 18.2.
3. Upon recognition, the Bishop names the Congregation, is nominally its Rector and appoints, and reappoints annually, a Warden and a Bishop's Committee and a Vicar or Priest-in-Charge. When so organized the Secretary of the Diocese enrolls the Congregation in the Convention with one lay deputy vote. Thereupon the mission or ecclesiastical community is expected to “sustain its own life, make provision for regular worship, and to participate in diocesan life”. Ky. Canons 18.3 and 18.4. Ky. Canon 18.3 directs the Bishop's Committee to “perform the duties of a Vestry”. (See below).

4. Mission congregations are unincorporated associations of their members. Title to all real and personal property of Missions shall held be in the name of the Diocese, even such property which has been originally purchased in the name of the congregation. Ky. Canon 18.7.

5. Parishes may establish “parochial missions”, subject to separate provisions for organization and governance. Ky. Canon 18.5.

IV. MANAGEMENT OF PARISHES AND VESTRIES.

A. The GC Canons leave the number, mode of selection and term of office for members of vestries to diocesan Canons and state law. GC Canon I.14.1. The Vestry of each Parish in the Diocese of Kentucky shall consist of not less than 3 nor more than 21 “communicants in good standing” over the age of 16 in the Parish who are elected by the “communicants in good standing” of the congregation of the Parish at annual meetings of the congregation. Ky. Canons 22.1, 21.1 and 21.2. The congregation may reserve one-year seats on the vestry for persons between 16 and 18. Absent specific provisions in the articles of incorporation or by-laws of the parish providing for one year terms, vestry members serve staggered, three year terms and are not eligible for a second elected term until at least one year has elapsed after they have completed an elected term. Ky. Canon 22.1. In the event of vacancies, the remaining members of a Vestry may elect successors to serve out unexpired terms. Ky. Canon 22.1. Vestry members who fail to serve may be replaced by the remaining members. Ky. Canon 22.2(b).

1. Each year, the Vestry shall hold an organization meeting following the election of new members at which they shall elect, out of their number, a Senior Warden, a Junior Warden and a Secretary, and they shall elect a Treasurer who need not be an elected member of the Vestry. Ky. Canon 22.2(a).

   a. The duties of the Vestry member elected as its Secretary are set forth in Ky. Canon 23.4.

   b. The duties of the Treasurer of the Parish are set forth in Ky. Canons 23.5 and 15.5.

B. Pursuant to GC Canon I.17.8, Wardens, Secretaries, Treasurers and other persons who accept the responsibilities as officers of parish vestries are obligated to perform their duties in accordance with the Constitution and Canons of the Church and of the Diocese.

C. The Rector of the Parish is an ex officio member of the Vestry, with a vote, and serves as its Presiding Officer. GC Canon I.14.3 and Ky. Canon 23.3. In the absence of the Rector, or when the Rector has entered into debate on a motion, the Senior Warden, or in her absence the Junior Warden, shall preside, or in the absence of both, the Vestry may appoint a
presiding officer pro tempore. Ky. Canon 23.3. The Rector may call special meetings of the Vestry upon "reasonable notice. Ky. Canon 23.3

1. The calling of a Rector is referred to in Ky. Canon 23.2 and detailed in GC Canon III.9.3(a). The dissolution of the pastoral connection between a Parish and its Rector is described in Ky. Canon 24 and in GC Canon III.12.

2. Compensation of Rectors and other clergy in a parish is described in Part II of the Diocesan Policy Manual which can be found at www.episcopalky.org/about-us/policy-manual-appendices.html.

D. Specific Role of Vestry members.

1. The vestry of every Parish serves as the agent and legal representative of the Parish in all matters concerning its corporate property and the relations of the Parish to its Clergy. GC Canon I.14.2.

2. Ky. Canon 23.1 goes further to provide that the Vestry has a duty to provide for and regulate the temporal, or business, affairs of the parish in accordance with Ky. Canon 15 (Business Methods, see below), to "cooperate with" the Rector for the promotion of the spiritual welfare of the Congregation, and to raise and pay promptly the money stipulated for the congregation's Ministers or clergy in charge.

E. Business Methods in Church Affairs. Previous sections of this outline identify "specific" roles of rectors and priests-in-charge (Sect. I.4) and of vestries (above). GC Canon I.7.1 sets forth uniform business and financial requirements for all Church entities, including parishes and missions. Ky. Canon 15 restates the provisions of the General Canon and goes further to require two signatures on every check or other instrument of transfer of funds over $300.00, except for clergy discretionary accounts. All Wardens and Treasurers should be know the specifics of, and, if needed, assist their ministers and employees (if any) to comply with, all of these regulations and duties. The Church office in New York publishes a "Manual of Business Methods in Church Affairs" which can be downloaded from the Diocese's website at http://www.episcopalky.org/resources-for-church-finance-management.html.

F. Civil Law. The Kentucky religious corporation laws, found in KRS c. 273, provide supplemental organizational guidance for Vestries, to wit: under civil law the Vestry serves in the capacity of the board of directors of the parish corporation, with the associated fiduciary responsibilities and standards of conduct provided therein for boards of directors. KRS 273.207 to 273.223, KRS 273.377, and 273.600 to 273.645. The Parish's Articles of Incorporation may provide for limitations on the liability of Vestry members, serving as members of its board of directors. KRS 273.248. Federal civil law provides immunity from suits for all volunteers (i.e., not paid employees such as Rectors or office staff) acting within the scope of the volunteer's responsibilities for the parish, except when operating a motor vehicle, engaging in gross negligence or acting in violation of law. 42 U.S.C. 14501 to 14505. All such supplemental authority from the civil law is subject to compliance with the Constitution and Canons of the Church and the Canons of the Diocese. GC Canon I.17.8.

V. FINANCIAL SUPPORT OF THE MINISTRY OF THE CHURCH.

A. The General Convention of the Church adopts at each triennial meeting a general convention expense budget, including an assessment formula upon each Diocese to fund the

Embracing Christ, Engaging the World
budget. GC Canon I.8. Each diocese in union with the General Convention is billed annually for its portion of the resulting budget.

B. The Diocese of Kentucky operates with a unified budget to cover the expenses of the Episcopate and the diocesan office, and to promote existing and new ventures in mission and ministry in the diocese, the nation and the world. Ky. Canon 16.1. Each annual budget is proposed by T&C to the diocesan Convention and is subject to approval by the diocesan Convention. Ky. Canons 16.1 and 16.2. To support the diocesan budget, each Parish, organized mission and other ecclesial community is assessed a minimum of 13% of its canonical income. Any congregation may increase that percentage amount by vote of its vestry or bishop's committee.

VI. RIGHTS AND REGULATIONS RESPECTING THE LAITY.

A. As noted above (part I.A of this outline), GC Canons I.17.1, I.17.2 and I.17.3 define the laity of the Episcopal Church as members of parishes or congregations. Rectors, or other clergy in charge of parishes and missions, are required to maintain accurate parish registers, and to submit them to the Bishop for inspection during every visitation. Ky. Canon 28.2.

B. Ky. Canons 21.2 and 3.2 limit the members of the congregation who can vote at meetings of a Parish to those adults whose membership (baptisms, confirmations, receptions and reaffirmations) are enrolled in the Parish register and who, in addition, "have in some way contributed to the support of the Parish". See Ky. Canon 27.2. These voters, once calculated and reported in parochial reports, are qualified to be elected as lay deputies to the diocesan Convention and their number in each parish determines the number of lay deputies the parish may send in the Convention. Ky. Canon 4.3.

C. Lay members may move their "certificates of membership" from one Parish to another. GC Canon I.17.4. Any member of one congregation who has attended another congregation, or intends to attend another congregation, for one year or more shall cause his or her certificate of membership, or "letter of transfer", to move from the former congregation to the new congregation. Ky. Canon 27.2. Any enrolled member who, through no fault of his or her own can not obtain a certificate of membership from a former parish or mission may still have his or her membership status recorded in a new parish or mission. GC Canon I.17.4(c). Communicants of the other Churches of the Anglican Communion and of the Evangelical Lutheran Church in America (and the Old Catholic Churches of the union of Utrecht, the Philippine Independent Church and the Mar Thoma Syrian Church of Malabar) may be recognized as members and communicants of parishes and missions in the Episcopal Church, GC Canons I.17.4(d) and I.20, "so far as the same may be made applicable".

D. Duty to live Christian Life. "It is the duty of every member of this Diocese to live in harmony with the responsibilities of that member's Baptism and to be faithful in working, praying and giving for the spread of the Kingdom of God. It is the duty of every member to live in the daily exercise of worship." Ky. Canon 27.1. "It shall be the duty of every communicant of a parish to attend the services and to support financially and otherwise, according to such communicant's ability, the work of the Congregation, Diocese, and work outside the Church as will contribute to the spread of the Kingdom of God". Ky. Canon 27.2.
The Work and Function of the Vestry
The Episcopal Diocese of Kentucky

Work & Function of Vestries
Congregational Leadership Conference

"Try to balance idealism and realism. Be sensitive to others. Rely on prayer. God has a purpose for you and for your parish. You cannot accomplish it alone. God's grace is always sufficient but God calls us and empowers us to respond intelligently and effectively. As with so many things in life, there is usually a relationship between the investment you make and the return you receive."

-The Vestry Handbook, Christopher Webber

I. SPIRITUAL LEADERSHIP
   ♦ Prayer & scriptural reflection
   ♦ Outward focused
   ♦ Seeks reconciliation
   ♦ Practices sacrifice & responsibility
   ♦ Builds trust
   ♦ "Do not be afraid"

II. HEALTHY COMMUNICATION
   ♦ Personal emotional health - the vestry cannot spend time and energy managing emotions
   ♦ No Triangulation - use direct lines of communication
   ♦ Complain upstream - address issues with those who can help problem solve
   ♦ Non-anxious presence

III. EFFECTIVE PRACTICES
   ♦ Listen, listen, listen
   ♦ Introduce new ideas, educate, listen, reflect
   ♦ Formation - Information - discussion - decision
   ♦ Transparency
   ♦ Training and orientation
   ♦ Say thanks!

IV. RESPONSIBILITIES
   ♦ Finances & Stewardship
   ♦ Buildings & Grounds
   ♦ Spiritual Vitality
   ♦ Commitment
   ♦ Vision, Values, Mission
   ♦ Decision making
   ♦ Know canons, bylaws, and policy

Embracing Christ, Engaging the World
Notes on Congregational Leadership
Culled from "Beyond Business As Usual"

8 PRINCIPLES OF LEADERSHIP
Relationship between Rights & Responsibilities
Never throw gasoline on a fire
Avoid triangulation
Complain upstream

Healthy community allows for ministry
Growth comes from developing leaders
Weakest/Strongest Link
Future more exciting than past

"THINK DIFFERENT"
Effective leaders ask questions; effective leaders exercise commitment. They think differently. A reflected life. More leadership means more time in reflective thinking and prayer. Effective leaders are responsible to and for others and spend time earning trust. Effective leaders know that transactional leadership needs to shift to transformational leadership.

4 COMPONENTS OF LEADERSHIP THINKING:
Define current reality.
Account for what is happening. Know the story.
Know where organization is headed.
Make plans, hold people accountable, bless the people.

HELPFUL REFERENCES:
Beyond Business As Usual: Vestry Leadership Development, Neal O. Michell The Vestry Handbook, Christopher Webber Doing Holy Business: The Best of Vestry Papers, Lindsay Hardin Freeman, ed.
Why Organizations Fail
Included in "Beyond Business As Usual"

ERROR #1: ALLOWING TOO MUCH COMPLACENCY.
In Other Words: Establish a sense of urgency.
♦ Identify crises, potential crises, or major opportunities that can create urgency
♦ Balance between “gloom and doom” and “we’re doing just great.”

ERROR #2: FAILING TO CREATE A SUFFICIENTLY POWERFUL GUIDING COALITION.
In Other Words: Create a team that works together.
♦ Identify and establish a group with enough influence, confidence, capability, and expertise to lead the change effort, inspire trust, and function well as a team.
♦ Distinguish between “characters” and “leaders.”

ERROR #3: UNDERESTIMATING THE POWER OF VISION.
In Other Words: Develop a strong and compelling vision.
♦ Do you have a vision that people will sacrifice for?
♦ Vision unites, plans divide.

ERROR #4: UNDERCOMMUNICATING THE VISION BY A FACTOR OF 10 (OR 100 OR EVEN 1,000).
In Other Words: Communicate the vision of change.
♦ Use every method possible to communicate — continually.
♦ Leadership must model the expected behavior.

ERROR #5: PERMITTING OBSTACLES TO DERAILED THE NEW VISION.
In Other Words: Empower positive action.
♦ Empower people to implement the vision by removing obstacles to its implementation.

ERROR #6: FAILING TO CREATE SHORT-TERM WINS.
In Other Words: Start with short-term wins before you attempt bigger risks.
♦ Plan specifically to create visible improvements or wins within six to eighteen months of launch.
♦ Provide public recognition and rewards to those who have participated in the wins.

ELEMENTS OF A VISION
♦ Provides a future picture of the organization
♦ Appeals to long-term interests of stakeholders
♦ Is clear enough to guide decision-making
♦ Is general enough to permit individual initiative
♦ Is easy to communicate

VISION COMMUNICATIONS PRINCIPLES
♦ Use metaphors, analogies, and examples
♦ Tell stories
♦ Use different forums to communicate vision
♦ Lead by example
♦ Listen and be listened to
♦ Address seeming inconsistencies between vision and actions
♦ Repeat, repeat, repeat
EMPOWERMENT PRINCIPLES

♦ Restructure whenever necessary to remove structural barriers
♦ Provide skills training necessary to implement the vision
♦ Align performance evaluation, compensation decisions, promotions, and recruiting and hiring systems
♦ Encourage risk-taking and non-traditional ideas, activities, and actions
♦ Confront those in authority who undercut the change that is needed

ERROR #7: DECLARING VICTORY TOO SOON.
In Other Words: Consolidate change and produce more change.
♦ Use the increased credibility derived from earlier changes to drive deeper change.

ERROR #8: NEGLECTING TO ANCHOR CHANGE IN THE CORPORATE CULTURE.
In Other Words: These changes mustn’t be based simply on the leader’s personality.
♦ Anchor change (new goals, attitudes, behavior) in the culture of the organization (i.e., its social norms and shared values). Consequences of Failing to Lead Healthy Change
♦ New strategies aren’t implemented well.
♦ Acquisitions don’t achieve expected synergies.
♦ Reengineering takes too long and costs too much.
♦ Downsizing doesn’t get costs under control.
♦ Quality programs don’t deliver hoped-for results.
Intro to Congregational Size Dynamics

From “Beyond Business As Usual”

Leadership needs to know the dynamics of congregational size. Churches in between sizes will find themselves uncomfortable as they transition. Each has particular characteristics of the role of leadership, congregational life, and church growth. It is very difficult to move to a larger size, and easy to return to a smaller size. Be careful not to apply larger church characteristics than your size needs. You will find yourself ‘overorganized.’ (ASA = Average Sunday Attendance)

The original study of church size dynamics comes from Arlin Rothauge and Kevin Martin.

FAMILY-SIZE CHURCH | 3-75 ASA |
usually in smaller towns, one or two extended families as members who are center of influence; strength is it’s intimacy; weakness is low expectations; finances are often an issue.

Congregation life: ‘everybody knows everybody’; few formal structures; best to adopt one major mission or outreach project

Leadership: ordained person is not the real leader, but a chaplain providing pastoral care; decisions made by long-standing members; vestry defers to matriarch or patriarch and will reverse itself to please m/p; 2-8 leaders; success = ‘keeping the doors open’; clergy must consult with m/p behind scenes to be effective

Growth: newcomer invited to fellowship and introduced to m/p; must feel accepted by ongoing members

PASTORAL-SIZE CHURCH | 76-140 ASA |
Pastor is leader; single cell; all recognize each other, notice newcomers; intimacy, sense of belonging and family

CL highly relational; worship service is primary; strength = stability, people feel cared for, if property well-maintained this can be sustained; individuals can rise in leadership; equal access to pastor; weakness = predictability; generic and small programs; don’t expect challenging music program; youth group will be a bible study; “what did we do last year?”; budget stays the same; leaders are tired; can easily become ingrown; Must have identifiable mission and outreach project that unifies congregation, limiting other endeavors; can’t compete with larger neighbors, so it should do it’s thing with excellence. “do small things well.”

L priest is center of activities; gives opinion on all details; prays before gatherings; primary evangelist; 8-25 leaders; tempted to organize as larger church; vestry = unpaid staff; if vestry only makes decisions and doesn’t work, pastor will be overworked and church will never transition.

G dependent on energy of the pastor; if newcomers don’t get connected with others, they will leave when pastor leaves. Must incorporate new members beyond Sunday worship. Caution: plan for long-term ministries rather than trying new things and not following through.

TRANSITIONAL-SIZE CHURCH | 120-250 ASA |
Not a natural size. This congregation will have tension: internal pressure to preserve intimacy, external pressure to provide quality programming; adolescent in a growth spurt; Must have proper guidance and appropriate changes at various levels or it will revert to pastoral-size.

Embracing Christ, Engaging the World
CL 75% pastoral / 75% program...lots of needs and interests, but not enough critical mass

L 3 fold: non-anxious presence, vision caster, leadership development. Pastor must move from primary provider to being the developer of leaders. Vestry moving from unpaid staff to vision-casting, policy-enabling board. Must become a staff-run church.

G the small things: adding staff, providing resources, clean, crisp. Incorporation must become formalized. shift from pastor-focused to lay-led, program based process of incorporation. "Ricochets." Prayerful, strategic expansion with necessary support.

PROGRAM-SIZE CHURCH | 225-450 ASA |
Programs are primary; know same number of people as in a pastoral size church; Trained and fairly paid staff who function well.

CL lived out in sub-groups; wide-ranging

L pastor pastors the leaders, develops, shares in visioning, administration; don't expect hospital visit except in real crisis; spends time planning with staff and lay leaders, recruiting, facilitating, overseeing. Hard for members of smaller churches to adjust.

G through programmatic offerings; classes, gatherings, many 'side-doors'

RESOURCE-SIZE CHURCH | 451+ ASA |
excellence; top-notch facilities; well-done music; clean, neat, trained nursery personnel

CL large, professional staff; much room for advancement for lay leaders; often hires lay leaders; specialized programs offered to smaller subgroups; made up of smaller congregations within one church

L Senior pastor is like president of a university, managing deans and staff, diversity, must be able to articulate unique vision of the congregation; motivator, vision-bearer, communicator, symbol of unity, stability and energy. vestry must focus on ever-expanding mission. if not expanding>plateau>decline. Decline is hard to see until it creates a crisis.

G programmatic offerings; safe place for exiles; incorporation key otherwise newcomers fall through the cracks and disappear.

Embracing Christ, Engaging the World
Management and Leadership (A w/ E/V)
- Effective versus are a strong balance between decreased I (key, don't use the backwards), and for which there is no answer to the E/V, to one
- Leadership ensures movement from E/V, to I
- Leadership can articulate the E/V in a compelling way, and its ambitious plans
- Leadership knows the E/V of the configuration

Key Principles:
- Responsibility
- Roles and Prerequisites
- Resource Risk
- Runs the A and P

Management
- Order Structure
- Managing Resources
- Timelines, Budgets
- "How" Do It
- Administration (A)

Leadership
- Products
- Gathering, use of assets
- Behaviors, behaviors
- Programs, Ministries
- "What" You Do It

Vesely Leadership: The Energy/Vision Cycle

A Hands-On Vesely Leadership Training Prepared by the Vesey Canon Jason D. Lewis
Managing Business w/ the Energy of a Shared Vision
Vesely Leadership: The Energy/Vision Cycle

Vision:
- "Feel" Dynamic that Creates "Energy"
- "Value" Now
- "Life" Ignite Now
- "Work" Ignite Now
- "Why" Ignite Now

Energy:
- Energy/Vision (E/V)

Leadership (L)
- Action in the
- Inspires & Motivates
- Takes Risks
- Sees Potential
- Looks to the Future
- Embeds E/V
- Knows E/V
- Brought

Incorporation (I)
- Building Buy-in
- Bringing Others In
- Sharing the E/V
- The "Who"

LeadersHIP
- Leadership and Leanage (A w/ E/V)
- The Desired "Why" that
- Company's Motivates, inspires
- Applied for in the Future
- A View, picture of "More of"

Leadership (L)
- Action in the
- Inspires & Motivates
- Takes Risks
- Sees Potential
- Looks to the Future
- Embeds E/V
- Knows E/V
- Brought

Incorporation (I)
- Building Buy-in
- Bringing Others In
- Sharing the E/V
- The "Who"

LeadersHIP
- Leadership and Leanage (A w/ E/V)
- The Desired "Why" that
- Company's Motivates, inspires
- Applied for in the Future
- A View, picture of "More of"
Leading and Creating Change (using AI as a resource)

The A to B change model focuses on the design, implementation and achievement of desired, sustainable goals. (Note: these materials are based on resources from the Clergy Leadership Institute)

Basic A → B

A          Resources          B

1. What is life-giving now?
2. What do we want more of?
3. How are we going to get there?

Change Fractal

Contrary to most popular thinking, we don’t need to know why or how we got to A in order to make changes in our life. We need to focus on where we are going rather than where we have come from. The following guidelines are essential to achieving our goals.

Goals need to be positive.
We cannot become happy by being less miserable.

Goals need to be valued.
We will not put effort into an outcome that we don’t value.

Goals need to be imaginable.
We cannot achieve what we cannot imagine.

Goals need to be resourced and perceived as worth the resources.
We cannot achieve our goals if we don’t have the resources.

Goals need to be ecological.
We need to satisfy our objections to the goal rather than overcome them for our goals to be sustainable over time.

Goals need to be just.
Others cannot be disadvantaged as our goal is achieved.

Goals need to increase freedom.
We will resist goals that limit choice and options.

Goals need to be sold to and owned by those working on them.
In group situations all the members need to own the goal. Externally imposed goals will be resisted. For change to be sustainable it has to be an “inside job.”

The path to the goal needs to be consistent with the goal.
Both the journey and the outcome must be consistent with the our values and core purpose. We cannot fight for peace.

Achieving the goal won’t make you loveable.
The love and self-acceptance we have at A is the power we use to get us to B.
Assumptions of Appreciative Inquiry

1. In every society, organization, or group, something works.
2. What we focus on becomes our reality.
3. The experience of reality is created in the moment, and there are multiple experiences of reality.
4. The act of asking questions of an organization or group influences the group in some way.
5. People have more confidence and comfort to journey to the future (the unknown) when they carry forward parts of the past with them.
6. If we carry parts of the past forward, they should be what is best about the past.
7. It is important to value differences.
8. The language we use creates our reality.
9. At any given moment people are doing the best they know how to do in that context at that time.
10. The deepest longing of the human heart is for acceptance. The only change outcomes that will be sustainable are those that result from greater self-acceptance.

Alienation is humanity's core injury.
   a. alienated from our self, our capability and our potential.
   b. alienated from our neighbor.
   c. alienated from the Source of our existence.
If alienation is the problem, acceptance is the cure.

From the Thin Book of Appreciative Inquiry, Copyright, 1996 Sue Hammond
E

Parochial Reports
DIOCESAN LEADERSHIP CONFERENCE
PAROCHIAL REPORTS
February 16, 2019 – Christ Church, Bowling Green, Kentucky

Enter directly into The Episcopal Church website:

http://pr.dfms.org

with the U Eid (Universal Episcopal Identification) and PIN that the Secretary of the Diocese sent to you in December. (Page 6 is a diocesan form and is not available on the website.) If using the website is not possible for you, send a paper copy to the Secretary of the Diocese, and she will enter it for you.

HIGHLIGHTS
Page 1 – Review the information for any errors or provide missing information. Please provide an e-mail address that is regularly monitored.

Page 2 – MEMBERSHIP, ATTENDANCE AND SERVICES
The number of Active Baptized Members of the Reporting Congregation Reported Last Year will appear automatically on the electronic data form. Do not change this number. If there was an error in the prior year, please make the adjustment on line 1 or line 2.

A communicant in good standing must receive Holy Communion in this church at least three times during 2018 (Canon I.17.2a), and “… have been faithful in working, praying, and giving for the spread of the Kingdom of God.” (Canon I.17.3)

The categories for increases and decreases are included on page 2. Example for increases are: transfer in, restored from inactive status, baptized, confirmed, received, not counted last year. Examples of decreases are: transfer out, died, removed to inactive status, or not removed in the prior year.

Page 3 – STEWARDSHIP AND FINANCIAL INFORMATION OF THE REPORTING CONGREGATION

Pledge numbers and amounts on lines 1 and 2 are for 2018.

The Parochial Report is based on the distinction between operating and non-operating funds.

All funds, from whatever source, that are used for the general operation of the congregation are OPERATING revenues.

The general operation of the congregation includes — but is not limited to —
Compensation of clergy and lay staff
All expenses related to operating and insuring the building(s)
Expenses of the music program, church school, adult education, flowers, supplies,
diocesan commitment and office expenses.

Some examples of operating income are:
Loose plate offerings, pledge payments, regular support, Christmas & Easter offerings
Interest, dividends, corpus from investments used for operations, rental income (net),
fundraising events (net), restricted gifts and unrestricted gifts.

Some examples of non-operating income are:
Donations to endowments, designated offerings

Page 4 – PRIESTS AND DEACONS SERVING THIS CONGREGATION
“Full time and part time” refers to work in your congregation. A priest who receives only
a housing allowance should be counted as part time rather than non-stipendiary.

Page 5 – OUTREACH MINISTRIES AND VOLUNTEER ACTIVITY
Page 5 is a relatively new page and will require estimating.

Page 6 – REPORT OF CONGREGATION’S ASSETS, LIABILITIES AND INSURANCE
This is a Diocese of Kentucky form, and, as previously noted, is not available on The Episcopal Church website. It is based on the Balance Sheet. For Land, Buildings,
Furniture and Equipment, try to get as close to original cost as possible. Insurance
coverage values are used in 35 (a), (b), (c).

FOR MORE INFORMATION
Kay Shields Wilkinson, MBA, CPA
Secretary of the Diocese
Registrar of the Diocese
421 South Second Street, Suite 200
Louisville, KY 40202
502-429-5539 (home)
502-262-4894 (cell)
kayswilkinson@msn.com
kay@episcopalky.org
**The 2018 Report of Episcopal Congregations and Missions**

According to Canons I.6, I.7, and I.17

(Otherwise known as the Parochial Report)

<table>
<thead>
<tr>
<th>Name of Congregation</th>
<th>Diocese</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Street Address 1</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Street Address 2</th>
<th>Zip + 4</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mailing Address 1</th>
<th>Mailing City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mailing Address 2</th>
<th>Zip + 4</th>
<th>Phone #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Federal Tax ID #</th>
<th>Email Address</th>
<th>Congregation's Web Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Report Preparation**

<table>
<thead>
<tr>
<th>Page 2. Prepared by:</th>
<th>Daytime Phone:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Page 3. Prepared by:</th>
<th>Daytime Phone:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Certification by the Clerk of the Vestry**

Certified by (Print or type name)

Signature: Date

**Certification by the Treasurer/Financial Vestry Officer**

Certified by (Print or type name)

Signature: Date

**Certification by the Rector/Vicar/Priest-in-Charge**

Certified by (Print or type name)

Signature: Daytime phone

Signature: Date

**Vestry Approval**

Indicate the date that your 2018 Parochial Report was approved by the vestry or Bishop’s Committee (Canon I.6.1)

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

To file online visit: [http://par.dims.org](http://par.dims.org)
**Membership, Attendance and Services of the Reporting Congregation**

**Using Last Year's Report:**

Active Baptized Members of the Reported Congregation Reported Last Year

**Using the Register of Church Membership and Rites:**

<table>
<thead>
<tr>
<th>During the Report Year Increases in Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increases during year: All members added to the baptized members section of the congregation's Membership Register during 2018 by: baptism, confirmation/reception, or transfer; and those persons restored from inactive status, or not counted in last year's membership count.</td>
</tr>
<tr>
<td>Total Increases = 1.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decreases in Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Decreases during year: All active baptized members lost by death, transferred to another congregation, removed to inactive status in the Register of Church Membership and Rites, removed for other reasons, or not removed from last year's membership count.</td>
</tr>
<tr>
<td>Total Decreases = 2.</td>
</tr>
</tbody>
</table>

Active Baptized Members of the Reporting Congregation at Year-End

M18. Add the increases entered in box 1 to Box M17. Then subtract the decreases entered in box 2 for the total active membership as of December 31, 2018

Total Active Baptized Members (end of report year) = M18

Communicants in Good Standing of the Reporting Congregation

Communications in good standing: Baptized members of the reporting congregation who “have received Holy Communion at least three times during the preceding year” and are faithful “in corporate worship, unless for good cause prevented,” and “in working, praying, and giving for the spread of the Kingdom of God.”

3. Adult communicants in good standing (age 16 and over) =
4. Youth communicants in good standing (under age 16) =

Total communicants in good standing (sum of 3 and 4) =

6. Others who are active who baptisms are not recorded in the Membership Register, or in another Episcopal congregation. Others =

Using the Service Register:

7. Sunday (& Saturday Evening) Attendance: Divide total attendance by the total number of Sundays when services were held.

Average Sunday Attendance = 7.

8. Average Principal Worship Service Attendance on a Weekday (for congregations without Sunday or Saturday evening services) = 8.

Easter Attendance in 2018

9. Easter Sunday Attendance

Average Sunday Attendance = (9)

Sacraments & Services:

10. Total Sunday & Saturday Evening Eucharists (10)
11. Total Weekday Eucharists (11)
12. Total Private Eucharists (12)
13. Daily Offices on Sunday or Saturday Evening (13)
14. Daily Offices Held on Weekdays (14)
15. Marriages Conducted in 2018 (15)
16. Burials Conducted in 2018 (16)

Using the Register of Church Membership and Rites:

17. Baptisms 16 years and older (17)
18. Baptisms under 16 years of age (18)
19. Confirmations 16 years and older (19)
20. Confirmations under 16 years of age (20)
21. Received by a Bishop (21)

Education

22. Total Church School enrolled in 2018 (22)
23. Regular Sunday or weekday adult education programs held? Yes ☐ NO ☐
24. Number of adults engaged in religious education or spiritual formation

Languages in which Worship is conducted:

25. English ☐ Spanish ☐ French ☐ Other ☐
26. Other (please list)

To file online visit: http://br.dlms.org
### Stewardship and Financial Information of the Reporting Congregation

#### Giving Information for 2018:

<table>
<thead>
<tr>
<th>Number of Pledges</th>
<th>Total $ Pledged</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of confirmed pledges for 2018 report year</td>
<td>(1)</td>
</tr>
<tr>
<td>2. Total dollar amount pledged for 2018 report year</td>
<td>(2) $</td>
</tr>
</tbody>
</table>

#### Report of Revenues and Expenses for 2018:

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Non-Operating Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Plate offerings, pledge payments &amp; regular support</td>
<td>8. Capital funds, gifts &amp; additions</td>
</tr>
<tr>
<td>4. Money from investments used for operations in 2018</td>
<td>9. Additions to endowment &amp; other investment funds</td>
</tr>
<tr>
<td>5. Other operating income, including unrestricted gifts &amp; restricted gifts used for operations &amp; contributions from congregation’s organizations</td>
<td>10. Contributions &amp; grants for congregation-based outreach &amp; mission programs</td>
</tr>
<tr>
<td>6. Unrestricted bequests used for operations</td>
<td>11. Funds for transmittal to other organizations</td>
</tr>
</tbody>
</table>

**Subtotal Normal Operating Income (3+4+5+6) = A**

| 7. Assistance from diocese for operating budget |
| **Total Operating Revenues (A + 7) = B** |

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Non-Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. To diocese for assessment, appointment, or fair share</td>
<td>15. Major improvements &amp; capital expenditures</td>
</tr>
<tr>
<td>13. Outreach from operating budget</td>
<td>16. Expenses for congregation’s outreach &amp; mission</td>
</tr>
<tr>
<td>14. All other operating expenses</td>
<td>17. Funds contributed to Episcopal seminaries</td>
</tr>
<tr>
<td></td>
<td>18. Funds sent to other organizations</td>
</tr>
</tbody>
</table>

**Subtotal Operating Expenses (12+13+14) = E**

| **Total All Revenues (B+C) = D** |

<table>
<thead>
<tr>
<th>At Year-End:</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. Total cash in all checking &amp; savings accounts</td>
</tr>
<tr>
<td>20. Total investments at market value (not including cash reported in line 19)</td>
</tr>
</tbody>
</table>

**Total All Expenses (E+F) = G**

*To file online visit: [http://pr.dfms.org]*
### Priest(s) Serving this Congregation

<table>
<thead>
<tr>
<th>Last name of Rector, Vicar, Dean, Priest-in-charge or Interim</th>
<th>First Name</th>
<th>Middle Name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title of position</strong></td>
<td><strong>Year ordained (priest)</strong></td>
<td><strong>Diocese of canonical residence</strong></td>
</tr>
<tr>
<td><strong>Employment status at this congregation:</strong></td>
<td><strong>Year called to this congregation:</strong></td>
<td><strong>Church pension status:</strong></td>
</tr>
<tr>
<td>□ Full time □ Part time □ Non-stipendiary</td>
<td></td>
<td>□ Active □ Retiree □ Non-active</td>
</tr>
</tbody>
</table>

Name of other congregation(s) currently served by this priest

<table>
<thead>
<tr>
<th>Last name of associate priest, assistant priest or curate</th>
<th>First Name</th>
<th>Middle Name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title of position</strong></td>
<td><strong>Year ordained (priest)</strong></td>
<td><strong>Diocese of canonical residence</strong></td>
</tr>
<tr>
<td><strong>Employment status at this congregation:</strong></td>
<td><strong>Year called to this congregation:</strong></td>
<td><strong>Church pension status:</strong></td>
</tr>
<tr>
<td>□ Full time □ Part time □ Non-stipendiary</td>
<td></td>
<td>□ Active □ Retiree □ Non-active</td>
</tr>
</tbody>
</table>

If you have more than 4 priests who serve this congregation on a regular basis, complete this form online (where additional blanks will be generated) or attach a page to this paper form.

If you have no resident priest at present, who leads Sunday worship services? (Check all that apply)

□ Supply □ Priest(s) □ Deacon □ Lay worship leader □ Other: ___________________________ (e.g. lay vicar)
□ A long-term supply priest ______________________________________________________ (Give full name of long-term supply)

### Deacon(s) Serving this Congregation

<table>
<thead>
<tr>
<th>Last name of Deacon #1</th>
<th>First Name</th>
<th>Middle Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Deacon (vocational) □ Transitional Deacon</td>
<td><strong>Year ordained (priest)</strong></td>
<td></td>
</tr>
<tr>
<td>Last name of Deacon #1</td>
<td>First Name</td>
<td>Middle Name</td>
</tr>
<tr>
<td>□ Deacon (vocational) □ Transitional Deacon</td>
<td><strong>Year ordained (priest)</strong></td>
<td></td>
</tr>
</tbody>
</table>

Name(s) of other congregation(s) currently served by these priests (if any)

Explanation of Unique or Unusual Clergy Situation

To file online visit: [http://pr.dcms.org](http://pr.dcms.org)
**Outreach Ministries and Volunteer Activity of this Congregation**

Using the check boxes below, did your congregation provide any of the following community service or outreach ministries during 2018?

If yes, were few volunteers involved in the ministry, or were a larger number of your members involved?

Please also estimate in the space provided approximately how many people were helped or served each month by ministry:

<table>
<thead>
<tr>
<th>No</th>
<th>Few volunteers involved</th>
<th>Many volunteers involved</th>
<th>Estimated number of people served</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Food pantry, soup kitchen or meal projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Sustainable food garden/cooperative (such as &quot;Farm to Tray&quot;)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Cash, vouchers or help with rent/utilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Day care, pre-school, before or after-school programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Tutoring or literacy programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Health programs (parish nurse, clinics, health education, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Community organizing, organized social issue advocacy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Job placement, job training, employment counseling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Building projects (such as Habitat for Humanity)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Support groups (bereavement, divorce, job loss, 12-step, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Programs for the elderly and homebound persons</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Clothes closet, thrift store</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Homeless or no-freeze shelter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Overseas sponsorships, microloans, Heifer Project, Haiti relief</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Other, not listed:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To file online visit: [http://pr.dfms.org](http://pr.dfms.org)
**Part II: Report of Congregation’s Assets, Liabilities and Insurance**
For the year ending December 31, 2018

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted Assets</strong></td>
<td><strong>Restricted Assets</strong></td>
<td><strong>Other Assets</strong></td>
<td><strong>Property (Canon 1.6.1)</strong></td>
<td></td>
</tr>
<tr>
<td>Operating Accounts</td>
<td>Congregation’s Organizations</td>
<td>Other Funds</td>
<td>Trust/Endowment Funds</td>
<td></td>
</tr>
</tbody>
</table>

**Assets**
18. Petty Cash
19. Checking Accounts
20. Savings Accounts
21. Short Term Investments
22. Accounts Receivable
23. Temp Loans from Other
24. Deferred Expenses
25. Long Term Inv. at MV
26. Land
27. Buildings
28. Furniture and Equipment
29. Depreciation

**I. Total Assets**
*(add 18-28 minus 29)*

**Liabilities**
30. Accounts Payable
31. Payroll Taxes Payable
32. Temp Loans to Other
33. Deferred Income
34. Long Term Debt

**J. Total Liabilities** *(add 30-34)*

**K. Net Assets** *(I. minus J.)*

<table>
<thead>
<tr>
<th>Insurance Category</th>
<th>Name of Primary Ins Carrier (Canon 1.6.1(3))</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Buildings(s)</td>
<td>$ , 000</td>
<td></td>
</tr>
<tr>
<td>b. Contents of Building(s)</td>
<td>$ , 000</td>
<td></td>
</tr>
<tr>
<td>c. Bonding</td>
<td>$ , 000</td>
<td></td>
</tr>
<tr>
<td>d. Worker’s Compensation</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

**Audit: Name of Firm/Auditor/Authorized Audit Committee**

**Sched Audit Date**

36.
2018
Parochial Report
Report of Episcopal Congregations and Missions

Workbook
for Page 2
Membership, Attendance and Services

File online at:
http://pr.dfms.org

With
Line-by-Line Instructions

Using the Register of Church Membership and Rites or Parish Register, and the Register of Church Services of the Reporting Congregation
LINE-BY-LINE WORKBOOK & INSTRUCTIONS
FOR THE 2018 PAROCHIAL REPORT
PAGE 2: MEMBERSHIP, ATTENDANCE, AND SERVICES

MEMBERSHIP (DEFINED BY CANON I.17)

“All persons who have received the Sacrament of Holy Baptism with water in the Name of the Father, and of the Son, and of the Holy Spirit, whether in this Church or in another Christian Church, and whose Baptisms have been duly recorded in this Church,” are members thereof. (Canon I.17.1)

Note: A person’s baptism, when duly recorded in the Register of Church Membership and Rites (also known as the Parish Register or Church Register) of the recording congregation, is his/her record of membership in the Episcopal Church.

ACTIVE BAPTIZED MEMBERS OF THE REPORTING CONGREGATION

For statistical purposes the Episcopal Church counts only active baptized members. Counting active members avoids double-counting of persons who are registered in another congregation and did not obtain a letter of transfer. Counting only active members also avoids counting persons who are not currently contributing to the corporate worship and communal life of the reporting congregation. Inactive members should be noted as inactive in the Register of Church Membership and Rites and should not be counted in the Parochial Report. By canon law they should remain on the membership rolls, however, until removed by reason of transfer or death.

A member, whether active or inactive, should not be removed from the Register of Church Membership and Rites except for the following reasons:

- Removal by reason of transfer (see Canon I.17.4)
- Death

Active Baptized Members defined: Any person whose baptism is recorded in the Register of Church Membership and Rites (Parish Register) and contributes to or participates in the worship and communal life of the reporting congregation, regardless of how much or how little, should be considered active and counted in this report.

Reasons why a member should be removed to inactive status:

- Domicile unknown—a member no longer attends and cannot be contacted by mail, email or phone.
- Member has not attended the congregation for more than a year and has not contributed either financially or in service to the parish.
- The person attends another congregation, but your congregation has never received a request for transfer.
- The person is attending a church affiliated with another denomination, and no longer gives to your congregation or participates in your congregation’s worship.
MEMBERSHIP, ATTENDANCE AND SERVICES OF THE REPORTING CONGREGATION
Line-by-line instructions for page 2, Box M17 and Items 1 through 24

Active Baptized Members of the Reporting Congregation Reported Last Year (this number will appear on the electronic data entry form):

<table>
<thead>
<tr>
<th>Using Last Year's Report:</th>
<th>Using the 2017 Parochial Report, record the Number of Baptized Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Baptized Members</td>
<td>Reported as of December 31, 2017. (See your 2017 Parochial Report, Box M17)</td>
</tr>
<tr>
<td>of the Reported Congregation</td>
<td>Members Reported Last Year = M17.</td>
</tr>
<tr>
<td>Report Last Year</td>
<td></td>
</tr>
</tbody>
</table>

At top of page 2 enter the record of active baptized members you reported at the end of last year as of December 31 from Box M17 of last year’s Parochial Report. Even if you disagree with this figure, enter the amount you reported at the end of last year. You will have an opportunity to correct last year’s membership in the increase and decrease sections of this report.

Then, using the congregation’s Register of Church Membership and Rites, enter the number of increases and decreases in active membership that occurred during the report year in boxes 1 and 2 of the 2018 Parochial Report.

**Box 1**

All increases to active membership during the report year:

<table>
<thead>
<tr>
<th>Using the Register of Church Membership and Rites:</th>
</tr>
</thead>
<tbody>
<tr>
<td>During the Report Year</td>
</tr>
<tr>
<td>Increases in Membership</td>
</tr>
</tbody>
</table>

All persons added to the Register of Church Membership and Rites during the report year should be included in Box 1.

A person is added to the Register of Church Membership and Rites (Parish Register) for the following four reasons:

- Baptism
- Letter of Transfer

When a person moves into your congregation with a letter of transfer, s/he should be recorded in the baptismal section of your Register of Church Membership and Rites. Please note that if s/he in fact has been confirmed or received, this should be noted opposite the person’s name on the same line under the column heading “Confirmed/Received.”

- On request, provided no letter of transfer is received

A name may be added to a Register of Church Membership and Rites without a letter of transfer, provided that an energetic but unsuccessful effort has been made to obtain one.

- Confirmation or reception by a bishop if, and only
If, their baptisms have not been previously recorded

If, and only if, at the time of confirmation or reception the person is added to the baptismal section of the register, he/she should be counted as an increase. The Bishop may receive a person in three different ways, according to the sections of the cited canon. Count those persons received by the Bishop during the report year through: (a) baptism and confirmation; (b) reception after confirmation by any bishop in apostolic succession; (c) reception of any baptized person into the Episcopal Church who has made a mature public commitment in another Church. Remember to indicate that the new member is confirmed in the appropriate column opposite the new member’s name in the baptized members' section of the register.

Other Increases in reported active membership:

In addition to those persons added to the baptized member's section of the Register of Church Membership and Rites, the following increases in active membership should be included:

- Restored to active status

Count those persons restored from inactive status to active status in the Register of Church Membership and Rites during the report year. “Active” and “inactive” are defined on page 1 of this workbook.

- Corrections to last year’s membership count

If your congregation under-reported membership last year, add the members that were not included in last year’s active member total to the amount reported in Box 1.

**Box 1**

Total increases during the year: 1.

Add all increases you have noted above for the total increase during the year and record in Box 1 on page 2 of the Parochial Report form.

**Box 2**

All decreases in active membership during the report year:

<table>
<thead>
<tr>
<th>Decreases in Membership</th>
<th>Total Decreases = 2.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Decreases during year: All baptized members lost by death, transferred to another congregation, removed to inactive status, removed for other reasons, or not removed from last year’s membership count.</td>
<td></td>
</tr>
</tbody>
</table>

All persons removed from the Register of Church Membership and Rites (Parish Register) should be included on line 2.

A person is removed from the Register of Church Membership and Rites during the report year for the following reasons:

- Death (record number of member deaths)

Include those persons whose baptisms were removed from your Membership Register during the year because they died.

File online: http://pr.dfms.org
• Transferred out

Count those persons who left the parish by official letter of transfer during the report year and were removed from the Register of Church Membership and Rites.

Other decreases in Active Membership that should be included are as follows:

• Baptized Members who were changed to inactive status

Count those persons who have been moved to inactive status in your register. “Active” and “inactive” are defined on page 1 of this workbook.

• Members whose active status changed for other reasons

Count those persons who have been “removed from active status” for disciplinary reasons.

Remember that becoming inactive is not a reason for removing a name from the baptized members’ section of the Register of Church Membership and Rites. Rather, indicate inactive status in the appropriate column of the register.

• Corrections to last year’s membership count

If your congregation over-counted membership last year, include the corrections to the amount to be reported in box 2.

Box 2

Total Decreases during the year: 2.

Add all decreases you have noted above for the total decreases in active membership during the year. Record the total in Box 2 on page 2 of the Parochial Report form.

Box M18

Total active baptized members at year-end

Last year + Increases – Decreases = This year

Box M17 + Box 1 - Box 2 = Box M18

Active Baptized Members of Reporting Congregation At year-end

M18. Add the increases entered in box 1 to the amount in Box M17. Then subtract decreases entered in box 2 for the total active membership as of December 31, 2018.

Total Active Baptized Members (end of report year) = M18.

To the membership number carried forward from last year’s report (Box M17) add the increases in box 1, and subtract the decreases in box 2. Record the total in Box M18.

This is your active baptized membership count as of December 31, 2018 and your beginning of the year count for the Parochial Report for next year (2019).
Box 5  
All communicants in good standing

<table>
<thead>
<tr>
<th>Communicants in Good Standing of the Reporting Congregation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicants in good standing: all baptized members (of the reporting congregation), who have received Holy Communion in this church at least three times during the preceding year, and have been faithful &quot;in corporate worship, unless for good cause prevented,&quot; and &quot;in working, giving and praying for the spread of the Kingdom of God.&quot;</td>
</tr>
</tbody>
</table>

3. Adult communicants in good standing (age 16 and over) = 3. ________

4. Youth communicants in good standing (under age 16) = 4. ________

5. Total communicants in good standing (sum 3 + 4) = 5. ________

To be a Communicant one must be a baptized member of the reporting congregation. To be a Communicant one also must have received Holy Communion in this church at least three times during 2018. (See Canon I.17.2a)

Communicants in Good Standing are those communicants, "who for the previous year have been faithful in corporate worship, unless for good cause prevented, and have been faithful in working, praying and giving for the spread of the Kingdom of God." (See Canon I.17.3)

On Line 3, enter the number of adult (age 16+) communicants in good standing. On line 4, enter the number of youth who are communicants in good standing (15 and younger). The sum of lines 3 and 4, entered in box 5, will be the total communicants in good standing.

Since the persons entered in box 5 have been previously counted as active baptized members (M18), the box 5 total normally will be less than M18 (active baptized members). Under some circumstances line 5 might be the same as M18, but a congregation should never have more communicants in good standing than active baptized members.

Line 6, Others who are active:

<table>
<thead>
<tr>
<th>Others Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Others who are active whose baptisms are not recorded in the Parish Register, or in another Episcopal Congregation.</td>
</tr>
<tr>
<td>Others = 6. ________</td>
</tr>
</tbody>
</table>

On Line 6, count those persons, who share in the life of the congregation but do not fit the preceding membership categories. Include all adults and children who have not changed their denominational affiliation but attend your congregation and have not been added to the baptized members’ section of the Register of Church Membership and Rites. This includes persons who are awaiting baptism and are active in the congregation. Do not count persons who are members of another Episcopal Congregation awaiting transfer.

This concludes the membership section of Page 2
Attendance and Services:

Use your congregation's Service Register for the following attendance and services information.

Box 7: Average Sunday Attendance

Using the Register of Church Services:
Average Sunday Attendance
7. Sunday (and Saturday Evening) Attendance: Divide total Sunday attendance by number of Sundays.
For 2018

\[\text{Avg. Sunday Attendance} = \frac{\text{Total Sunday Attendance}}{\text{Number of Sundays}}\]

To obtain the average Sunday attendance for the year, compute (add up) the total number of persons (children and adults) who attended all public Sunday services (include Saturday evening Eucharists if they are considered Sunday services). Using your Service Register will be easier if you bring forward a weekly subtotal of Sunday attendance for the year. Do not include those persons who attended Church School but did not attend any part of the Sunday service or a scheduled Sunday service for Church School students. Do not include attendance at weddings or funerals. Divide the total number of those attending all Sunday services by the number of Sundays in the report year in which services were offered and enter the average Sunday attendance in Box 7. Seasonal chapels will divide by the number of Sundays that services were held.

Line 8, Average Attendance for congregations without Sunday/Saturday evening services

8. Average Principal Worship Service Attendance on a Weekday (In congregations without Sunday or Saturday evening services)

If your congregation does not hold services on Sunday or Saturday evening, enter on line 8 the average attendance for the weekday service or services which are considered your congregation's principal worship service(s).

Line 9, Easter Attendance

Easter Attendance in 2018
9. Easter attendance

On line 9, count, as recorded in the service book, the total number of persons, children and adults, who attended Sunday services for Easter, include Saturday evening Easter Vigil.

Sacraments and Services:
Lines 10 through 12, Holy Eucharist Services

<table>
<thead>
<tr>
<th>Number of Holy Eucharists Celebrated during 2018</th>
<th>10. Sunday &amp; Saturday Evening Eucharists (10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Weekday Eucharists</td>
<td>(11)</td>
</tr>
<tr>
<td>12. Private Eucharists</td>
<td>(12)</td>
</tr>
</tbody>
</table>

On line 10 include the number of Saturday evening Eucharists as well as all Sunday Eucharists. Note that this figure (and others in this section) refers to services, not to people attending services.

On line 11 count the number of the scheduled public weekday Eucharists recorded in the Register of Church Services. Include Eucharists following Morning Prayer which constitute complete and separate services.
On line 12 count Eucharists that are part of a marriage or burial service, including complete and separate Eucharists, which precede or follow a marriage or burial service. “Private services” refer to Eucharists that are either: (a) not regularly scheduled; (b) celebrated in homes and institutions; or (c) have Holy Communion administered by Lay Eucharist Ministers. Include Holy Communion administered by clergy from the Reserved Sacrament.

Lines 13 through 16, Other Services

<table>
<thead>
<tr>
<th>Daily Offices and Other Services held during 2018</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Daily Offices on Sunday</td>
<td>(13)</td>
<td>(13)</td>
</tr>
<tr>
<td>14. Daily Offices on Weekdays</td>
<td>(14)</td>
<td>(14)</td>
</tr>
<tr>
<td>15. Marriages</td>
<td>(15)</td>
<td>(15)</td>
</tr>
<tr>
<td>16. Burials</td>
<td>(16)</td>
<td>(16)</td>
</tr>
</tbody>
</table>

On line 13 count all Sunday, and on line 14 count all weekday, services of Morning and Evening Prayer, and other daily services (Compline, Noonday Office, etc.), even when followed by or used with the Eucharist.

On Lines 15 and 16, count marriages and burials recorded in your Register of Church Services, even if they are counted on line 12 because a Eucharistic Service was included. Line 16 is not necessarily the same as the number removed by reason of death from your Membership Register. Line 16 should be obtained from your Register of Church Services. Some who are buried may not have been members, and some members who died may not have been buried at the reporting site.

Baptisms, Confirmations and Receptions during the year:

<table>
<thead>
<tr>
<th>Using the Register of Church Membership and Rites</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Baptisms during 2018</td>
<td></td>
</tr>
<tr>
<td>17. Baptisms 16 years and older</td>
<td>(17)</td>
</tr>
<tr>
<td>18. Baptisms under 16 years of age</td>
<td>(18)</td>
</tr>
</tbody>
</table>

Count all baptisms recorded for the report year, adults (16 and older) on line 17 and youth (15 and younger) on line 18.

<table>
<thead>
<tr>
<th>Confirmations during 2018</th>
<th>(19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. Confirmations 16 years and older</td>
<td></td>
</tr>
<tr>
<td>20. Confirmations under 16 years of age</td>
<td>(20)</td>
</tr>
<tr>
<td>Received during 2018</td>
<td>(21)</td>
</tr>
<tr>
<td>21. Received by a Bishop</td>
<td></td>
</tr>
</tbody>
</table>

On lines 19 and 20 count the number of persons whose recorded confirmations took place during the report year. On line 19, count persons aged 16 and older. On line 20, record persons aged 15 and younger. For the purposes of this report, use the age (estimate if not known) on the last day of the reporting year for the age category.

On line 21 record the number of persons received by a bishop, because they are recognized as a member of the One, Holy, Catholic and Apostolic Church, and received into the fellowship of this Communion. Count those persons who have received the laying on of hands by a bishop in apostolic succession and received by a bishop of this Church, Canon 1.17.1 (d).
Lines 22 through 24, Education:

**Education:**

Children and Youth  
22. Total Church School Students enrolled (22) ________

On Line 22, count the number of children and youth in all grades who are enrolled. Do not include weekday parish Day School Students unless they were enrolled in Church School.

**Adult Education**

23. Did you have (a) scheduled Sunday or weekday adult education program(s)?
   Yes □ No □

24. Number of adults engaged in religious education or spiritual formation (24) ________

For line 23 indicate by “yes” or “no” whether your congregation provided any regularly scheduled adult Christian Education program(s) during the report year.

For line 24, record the number of adults engaged in religious education or spiritual formation classes or programs during the year.

Lines 25 and 26, Languages in which Worship is conducted:

**Languages in which Worship is conducted:**

25. English □ Spanish □
26. Other (please list) French □ Other □

For line 25, indicate all languages in which worship is conducted in this congregation by selecting from the list above.

For line 26, if “Other” was selected in line 25 please list other language(s) here. If you are completed your report online, you may select additional languages from the drop down menu.

**THIS CONCLUDES THE LINE-BY-LINE INSTRUCTION WORKBOOK FOR PAGE 2**

- Fill out page 2 of the parochial report form using any notes you have made in this workbook.
- File your report online at this web site: http://pr.dfms.org
- Or, mail the completed form to your diocese, typed or handwritten, together with page 1, certification, page 3, the financial report, page 4, the clergy serving your congregation, and page 5, outreach ministries and volunteer activity of this congregation. Do not send this report to the general convention office.
- Keep this workbook or a photocopy of the completed form for your records.
- You may review your data for prior years at this website: http://pr.dfms.org using your UEIF and PIN. Select the view/print option.
Questions and Answers about Average Sunday Attendance

Who should be included in this count? All persons of whatever age, lay or clerical, who participated in all or part of your services, in the nave, choir, or sanctuary on Sunday mornings (or Saturday evening if that is, in effect, an anticipatory Sunday Service). In addition, if your main worship service(s) for the week are held on a day other than Saturday or Sunday and if you do not hold worship services on Saturday or Sunday, count such services as Sunday attendance.

Do I count Easter? Yes, as it always falls on Sunday.

Do I count Christmas? No. (Unless Christmas Day falls on a Sunday; in that case, count your Saturday Christmas Eve services as well as any services on Christmas Day).

We have a service every Wednesday at 10:00 am and observe other holy days during the week. What about them? Do not include attendance on those days.

Grades 1-5 start out in church and then leave before the sermon for Church School. What about them? Count them. They are in church for part of a Sunday service.

We celebrate the Sunday Eucharist on Saturday night and have an early service at 7:30 a.m. on Sunday. Should I count those who attend? Yes.

We had a winter storm, which caused us to cancel our regular Sunday services last winter. Do we count that day as zero attendance in the total and divide by 52? No, you should not count that Sunday, since services were cancelled. Instead take your total attendance and divide by 51 Sundays instead of the 52 Sundays you would normally average.

What about marriages and funerals? Do not count them.

Our parish has a scheduled Sunday Liturgy and Eucharist for our Church School Students. They did not attend any part of the regular church service. Should I count them? Yes.

We have a special service for the EYF on Sunday evenings twice a month. Should we count them? No.

What is the simple way to compute average Sunday attendance? Go through the Register of Church Services and highlight the number in attendance at each Sunday morning service during the year. Add up the numbers and divide the total by the number of Sundays in the year (usually 52).

Please use your good judgment when tackling questions that may not seem to fit your congregation. When in doubt, first contact your diocesan office. The research office at (212) 716-6159 at the General Convention Office of the Episcopal Church is also available to answer questions about the Parochial Report.
Workbook for Page 3

Stewardship and Financial Information

File automatically on line:
http://pr.dfms.org

With Line-by-Line Instructions

Using the Year-end Treasurers Statement in Accordance with Canon 1.7, and the Manual of Business Methods in Church Affairs
LINE-BY LINE WORKBOOK & INSTRUCTIONS
FOR THE 2018 PAROCHIAL REPORT
PAGE 3: STEWARDSHIP AND FINANCIAL INFORMATION

Giving Information For 2018
Number of Pledges
1. Number of signed pledge cards for 2018-report year (i) ______________ units

Count all persons, adults and children, who signed a pledge card (number of signed pledge cards) or some other pledge of record (signed note or letter of pledge) for the Report Year.

Example A: On January 1, 2018 St. Paul’s had received 84 pledge cards. Five additional pledge cards for 2018 were received later that month, and four new families made pledges during the course of 2018. Enter 93 (84+5+4) on line 1, even though some who signed pledge cards may have died or moved away during the Report Year.

Total $ Pledged
2. Total dollar amount pledged for 2018-report year (2) $ ______________

Give the total dollar amount pledged from the pledge cards (or records) recorded on Line 1.

Example A (continued): On line 2 enter the total pledged from the 93 pledge cards shown on line 1, even though not all of the pledges may have been fulfilled.

Guidelines for Reporting Revenues and Expenses, lines 3 to 18:

Basis of Reporting: Revenues and expenses may be reported on a cash basis or on the accrual basis. Just be consistent.

General Description of Operating Revenues and Expenses: All funds, from whatever source, that are used for the general operation of the congregation are operating revenues. The general operation of the congregation includes—but is not limited to—compensation of clergy & lay staff, all expenses related to operating and insuring the building(s), expenses of the music program, church school, adult education programs, flowers and supplies for the altar, diocesan quota or assessment, and office expenses.

Important notes: Because operating revenues are defined as the funds that are used to pay operating expenses, operating income will typically equal or nearly equal operating expenses. If this report is completed correctly, there will usually be no significant difference between total operating revenues and total operating expenses. Also, all figures reported in this section must be positive numbers (e.g., a stock market loss is not reported as negative income value, for example, but rather is reflected in the total value of investments for 2018).

A General note about Restricted, Unrestricted, Designated, and Undesignated Funds: Funds are considered restricted (permanently or temporarily) only if the donor has specified that the gift, or income from the gift, is to be used for a specific purpose. Unrestricted funds may be designated by the vestry for a specific purpose.
However, the parochial report is based on the distinction between operating and non-operating funds. A donor may restrict a gift for an operating purpose (e.g., the fuel bill or the rector’s salary), and the income is considered operating income because the gift is used for an operating purpose.

On the other hand, the vestry may designate a bequest or gift for a non-operating purpose, and report such gifts as non-operating income.

Read the following pages for line-by-line instructions and examples that cover many different circumstances. If you have questions, please ask your diocesan office for clarification.

For purposes of this report:

- All funds that are available or used for operating expenses are operating revenues.
- All funds given or designated for non-operating purposes are non-operating revenues.

A General note about how outreach expenditures are reported:

There are three ways congregations can raise and expend money for outreach. They are different, so they are reported differently.

1. You can make a special appeal for a particular project outside the parish, or you can designate the proceeds of a fundraising event in advance for a purpose outside the parish.

   For example: You receive $417 in the Good Friday envelope and transmit the entire amount. Or, you announce that whatever you net on the Fall Rummage Sale will go to Episcopal Community Services. The sale nets $1,544 and the entire amount is sent to that charity. These transactions are recorded on lines 11 and 18. If the collections and transmittals occur in the same year the amounts will be equal.

2. You can make a special appeal for the summer day camp your congregation runs for the community or you can designate in advance that the proceeds of the Spring Fair will go to the summer day camp program. In these cases, the income received from the appeal or the fair will be included on line 10. The expenses of the summer day camp will be included on line 16.

3. A vestry will often include mission and outreach line in the operating budget. They decide how much to contribute from the operating budget to various community programs or charitable causes. Because the source of the money is operating revenues reported on lines 3-6, these expenditures are shown on line 13.

Report of Revenues and Expenses For 2018

Operating Revenues

All funds available for operations.

3. Plate offerings, pledge payments, & regular support  (3) $___________

   Include on this line all giving from individuals for the general support of the congregation. In most congregations this will be the largest income figure and will not be significantly below a congregation’s operating expenses. Do not leave this item blank or report an absurdly low figure!

   Examples of income to report:
   - Loose plate offerings
• All payments toward pledges
• All amounts in regular offering envelopes, including the envelopes of members of the Church School
• All unpledged or undesignated offerings. Include Easter, Christmas, etc., if used for operating purposes
• Payments from persons who made no pledge or declined to use envelopes.
• All donations “restricted” for operating purposes, e.g., donations for flowers, fuel oil, the diocesan assessment, support of the clergy, etc.
• Donations from visitors or persons not members of the congregation

Example B: At Grace Church the Easter and Christmas offerings are used for the operating budget, but the Thanksgiving offering is given to a local Interfaith soup kitchen. The Easter offering was $3,500; the Christmas offering was $2,500. The Thanksgiving offering was $750. The $6,000 from the Easter and Christmas offerings is included on line 3. The Thanksgiving offering is reported coming in on line 11 and going out on line 18. See further examples and explanations below.

Example C: At Christ Church the ECW, which maintains checking and savings accounts, receives donations for flowers at Easter, Christmas, and throughout the year. The ECW purchases the flowers, as well as the bread and wine and linens for the Altar. To complete this report correctly, the Parish Treasurer must add the income recorded in the ECW accounts for flower donations to operating revenue and the Altar expenses to operating expenses. It is therefore suggested that the income and expenses for Altar flowers and supplies be deposited into and paid from the general checking account of the parish. If there is a separate account, it is an operating account of the parish, not an organization account.

4. Money from investments, used for operations

“Money from investments, used for operations” does not mean investment funds that could be used for operations (i.e., the entire investment portfolio). It means all amounts from investments that were actually transferred into operating accounts or used for operating expenses during the current year.

Include interest from all operating accounts, dividends and interest from investments used for parish operating expenses and/or the Diocesan and General Church Program. If restricted investment income is used for operating expenses, include the income here. If withdrawals of principal or capital gains were made to cover operating expenses, include the amount of those withdrawals here.

If the congregation applies a total return policy to its investments whereby it reinvests all income and gains and draws out a percentage of an average value, the amount reported here will not equal changes in the value of the investment portfolio. Regardless of the activity in the investments, the amount to enter here is whatever amount has been transferred or spent from the portfolio (whether principal, interest, dividends or accumulations) to support the operation of the congregation.

To avoid double assessments of revenues by your diocese be sure to report additions to investments under line 9 (a non-operating revenue category). If a congregation reported income from plate and pledge offerings in one year (line 3) but later transferred these funds into an investment portfolio, the principal of these funds need not be counted as operating revenue (under line 4) in another year if they are transferred back into an operating account.

Note: Losses to an investment portfolio cannot be reported as “negative income” to be used to lower a congregation’s operating revenue. Changes to an investment portfolio are reflected in the size of the investment corpus (line 20). Only income transferred from investments to be used for congregational operations are included in line 4.
Example D: St. Mary’s Church is the beneficiary of a trust. In setting up the trust, the donor stipulated that the income from the bequest could be used only toward the support of the Rector. The trust income St. Mary’s received this year was $13,567. St. Mary’s fulfilled the restriction on the income by paying the Rector a total of $45,000. The trust income is operating income reported on line 4, because it was available and used for an operating purpose.

Example E: St. Matthew’s reinvests all interest, dividends and gains in a balanced portfolio. The Vestry draws out 5% of a three-year moving average of the total assets for the operating budget. The full 5% draw down is reported on line 4.

5. Other Operating Income, including unrestricted gifts and restricted gifts used for operations, and contributions from congregation’s organizations

- a. Rental of Property Income
- b. Less Direct Expenses
- c. Net Rental Income (a-b=c)
- d. Fundraising Events Income
- e. Less Direct Expenses
- f. Net Fundraising Income (d-e=f)
- g. Other Income

The figures for Net Rental and Fundraising Income (lines c and d) are not to be used if negative; expenses in excess of income are included as an operating expense rather than as negative operating income.

Example F: Zion Church had a disastrous experience with a major outdoor fundraising event. Bad weather caused cancellation of the event, and the congregation was unable to recoup what it had paid out for rental of tents and other items. The event lost $1,500. Zion reports $0 for the event on line 5 and adds $1,500 to Other Operating Expenses on line 14.

Example G: The ECW at St. John’s sponsors events and raises funds. The group makes contributions to the Diocesan Altar Guild and many mission projects. The ECW also gives $2,500 per year toward St. John’s operating budget. The Treasurer reports the $2,500 on line 5.

Example H: St. Michael and All Angels has set up a separately incorporated foundation to manage its endowment. The foundation makes grants to support both the parish operating budget and capital improvement projects. The full amount of all grants for operations is included on line 5; the grants for capital projects are included on line 8.

Example I: The Friends of St. Luke’s was established to allow members of the community who are not parishioners to be involved in the care of St. Luke’s landmark buildings. “The Friends” have their own checking account. Sometimes, funds are given by The Friends of St. Luke’s to the parish; sometimes the Friends pays bills on behalf of the parish. Last year the Friends wrote a check to St. Luke’s for $10,000 for the roof replacement project. Last year also, the Friends paid $7,500 of St. Luke’s fuel oil bill by writing 7,500 in checks directly to the fuel oil company. The Treasurer records $10,000 on line 8 as Capital Funds Revenues and the expense of $10,000 on line 15. The Treasurer must include $7,500 on line 5 as Other Operating Revenue and add $7,500 to line 14 Operating Expenses.

Total: Add (c + f + g) and enter subtotal on line 5

(5) $__________
6. Unrestricted bequests used for operations

Principal of all unrestricted legacies and bequests that were used for operating purposes.

Example J: St. Alban's received a $25,000 unrestricted bequest. $10,000 was used to pay operating bills; $15,000 was invested. St. Alban’s includes the $10,000 on line 6 and the $15,000 on line 9.

Subtotal Normal Operating Income (3 + 4 + 5 + 6) = [A]

[A] $__________

7. Assistance from diocese for operating budget

Include diocesan grants for the parish budget, clergy salaries, and other operating expenses. Do not include any amounts the diocese paid directly on your behalf, but only grants deposited in the congregation’s accounts. Grants from the diocese for capital improvements are included on line 8; grants for outreach programs are included on line 10. See the examples.

Example K: St. George's received $12,000 from the diocesan budget toward the compensation of its priest, $2,000 for a ramp to make the church accessible to the disabled and $3,000 toward the after school program. The Treasurer reports $12,000 on line 7, $2,000 on line 8, and $3,000 on line 10. The $12,000 expense is included in line 14, the $2,000 on line 15, and the $3,000 on line 16.

Example L: The congregations of a diocese send a certain amount to the diocesan offices from which the diocesan administration pays the medical premiums for all the clergy. The treasurers include these payments on line 14, Other Operating Expenses. The payments by the Diocese to the insurance company on behalf of the congregations are not shown on line 7.

Example M: In another diocese, aided congregations pay a percentage of their income to the diocesan office, and the diocesan budget pays all clergy compensation and fringe benefits directly. As in the previous example, the congregations report these payments to the diocesan budget on line 14. Only the amounts of checks from the diocese deposited into the congregation's bank account for support of the operating budget are included on line 7.

Total Operating Revenues (A+7) = [B]

[B] $__________

Add revenues from lines 1 through 7 = [B]

Non-Operating Revenues (Restricted/Designated)

General description of non-operating revenues and expenses: Non-operating revenue is used for purposes outside the general operation of the congregation. Some examples of non-operating income include:

- Gifts to capital campaign or building fund
- Gifts or additions to the congregation's endowment funds
- Funds contributed to Episcopalian seminaries
- Support of outreach ministries run by the congregation (soup kitchens, after-school programs, shelters, summer day camps, senior citizen programs, etc.)
- Funds restricted by the donor(s) or designated by the Vestry for transmittal to another recipient (UTO, Presiding Bishop’s Fund, the Bishop’s Discretionary Fund, etc.)
Capital Income and Expenses (lines 8 and 15)

- Report only new grants and contributions for capital purposes. Do not show interest, dividends, gains or losses on capital funds invested or loans. Loans are not income. If you get a loan to fix the roof, do not include the loan proceeds on line 8. You will show the money raised to pay it back on line 8 and the actual repayment of the loan on line 15.
- For capital improvements, report only your actual expenses for the year. A loan for the improvements is not an expense. The repayment of the loan is an expense (line 15).

8. Capital funds, Gifts and additions

All designated or restricted contributions, pledged or otherwise, for the purpose of land, buildings, construction, or for major capital projects (new capital programs or capital projects that extend the life of existing fixed assets). Enter here only contributions and grants received or recognized during the report year. Do not enter interest, dividends, appreciation or depreciation on capital contributions already received.

**Example N:** Holy Nativity is raising funds to repair its historic steeple. Contributions are being received and invested until the work can begin. $60,000 was received in individual contributions last year, and a landmarks conservancy granted $5,000. The portfolio earned $2,300 in interest and dividends and $6,900 in appreciation. The Treasurer enters $75,000 on line 8, reporting only the amount of gifts and grants.

**Example O:** Recently St. Stephen's suffered a fire that gutted the rectory. The insurance company settled last year for $75,000, and an additional $20,000 was raised to build a somewhat larger house. The insurance settlement is not income, and when it is used to rebuild, paying out the settlement is not an expense. (The cash settlement is for the replacement of a capital asset.) However, the $20,000 that was raised is reported on line 8, and when it is expended, it is recorded on line 15.

See also examples H, I, and K.

9. Additions to endowment, & other investment funds

Report here additions to the principal of endowment funds. Include unrestricted memorial gifts, legacies, and bequests if not used for operating purposes. As on line 8, report only new contributions, bequests and gifts to the investment funds. Do not report interest, dividends, gains, or losses. Losses to an investment portfolio during 2018 reduce the size of the amount recorded in line 20. Losses do not constitute "negative income."

**Example P:** St. James the Less finds itself with a large checking account balance at the end of 2018, all of which was received from plate and pledge offerings. Rather than reporting all of this revenue as an operating expense (line 3), it transfers $5,000 to an investment account. The $5,000 is reported in line 9 and a reduction of $5,000 is made to line 3. If St. James transferred the $5,000 to investments in 2018 after reporting these funds as operating revenue in 2018, it should not count these funds as "Money from investments, used for operations" (line 4) if they are used for operations in 2018 or later. However, it is much preferred for excess funds to be transferred to investment accounts during the year they are received.

See example J.
10. Contributions & grants for congregation-based outreach & mission programs

(10) $________

Many congregations run outreach programs, such as soup kitchens, after-school programs, shelters, summer day camps, senior citizen programs, etc. These programs may be funded by a variety of sources. For example, an after-school program may receive fees from the participants, funding from local government sources, or grants from the Diocese, another congregation, or a foundation, as well as individual gifts for the program. Report all income for all such congregation-run programs here. Expenses for these programs are reported on line 16.

See example K.

11. Funds for transmittal to other organizations

(11) $________

Include all donor-restricted offerings or gifts for special purposes outside the basic operation of the congregation, i.e. Good Friday Offerings, Episcopal Relief and Development, Theological Education Sunday, the United Thank Offering, the Bishop’s Discretionary Fund, etc. Funds contributed to seminaries or other organizations that were collected through regular offerings or other means should be reported here and those amounts reported in Line 17 (for seminaries) or Line 18 (all other organizations). Any amounts reported in Line 11 should not be included in Line 3 or in any other operating revenue line. Also include occasional unbudgeted income that the Vestry has designated for mission program outside the congregation.

Example Q: The UTO offering was received twice last year by Trinity Church, $425 in the spring and $375 in the fall. ECW representatives brought the offerings to the diocesan ingathering. $800 is reported on line 11 and $800 on line 18.

Example R: The Vestry of St. Andrew’s gives the entire proceeds from the Autumn Fair each year to the local Habitat for Humanity chapter. The fair is not included in the operating budget because nothing from the Fair goes to the operating budget. On the other hand, the Vestry does not augment the contribution, but donates the net proceeds. Last year the fair netted $7,438 after direct expenses, up from $6,692 the year before. The Treasurer sent Habitat the $7,438 in November and reports that amount in line 11 and in line 18.

See also examples B, S, and T.

Subtotal Non-Operating Revenues (8+9+10+11)=[C] $________

Total All Revenues (B+C)=[D] $________

Notes on Revenues:

Operating Expenses

12. To diocese for assessment, apportionment or fair share

(12) $________

If on a cash basis, show payments made toward the apportionment. If on an accrual basis, show accrued obligation. Show only payments or obligations toward the diocesan operating budget. Do not include pass through items such as payments for insurance for the benefit of the local clergy or parish property, group purchases of supplies, or other purposes properly belonging on line 14 as Other Operating Expenses.

See examples L and M.
13. Outreach from operating budget

Many congregations have a line in their budget for “Outreach” or “Mission Giving.” Report on line 13 amounts given from the operating budget.

Example S:  St. Augustine’s tithes to outreach its operating income of $125,000. The $12,500 given to the Council of Churches, the local food bank, etc., comes from general operating income, not from special restricted gifts from individuals or the occasional events described in the examples in line 11. The Treasurer shows the $12,500 here on line 13. It is one of the operating expenses of the congregation because it is included in the operating budget and does not depend on occasional, un budgeted, unpredictable donations or receipts.

Example T:  In response to a natural disaster, St. Peter’s appealed to its members for contributions to be forwarded to Episcopal Relief and Development. The contributions totaled $1,100. St. Peter’s Vestry decided to send a total of $2,500 by adding $1,400 from the outreach line of the operating budget. The contributions received from the congregation are non-operating income:

- Line 11: Funds Transmitted to Other Organizations
  $1,100

The expenses of $2,500 is broken down onto two lines:

- Line 13: Outreach from Operating Budget
  $1,400

- Line 18: Funds Transmitted to Other Organizations
  $1,100

Because the $1,400 came from the operating budget, the income used to pay this expense is already included in general operating income.

14. All other operating expenses

Congregations differ widely in size and complexity of operation. With few exceptions “All other expenses” will be the total of all other expenses shown on the operating budget report received by the Vestry and presented to the Annual Meeting.

Other Operating expenses include—but are not limited to:

- **Salaries & Benefits:** all compensation and fringe benefits of all employees who work for the parish—clergy, office, maintenance, music, education staff—including FICA supplement to clergy, 403(b) contributions from the employer, bonuses to staff, honoraria paid to visiting and supply clergy, etc.

- **Running the buildings:** all expenses of the day to day operation of the building(s)—Fuel oil, utilities, water, repairs and minor improvements, insurance, property or sewer taxes, Interest on mortgages or loans, landscaping services, etc.

- **Basic parish operations and programs—Altar, Choir, Church School, Office** (all expenses for running the office), forms such as baptismal certificates, offering envelopes, confirmation certificates, new Hymnals and Prayer Books (if a partial replacement of not more than 10% of the total on hand; a larger replacement could be considered a capital expense), paper, envelopes, postage, Church School supplies, telephone, Choir supplies and maintenance of instruments, costs of consultants, retreats, newsletter printing, Altar Supplies, Cluster Ministry expenses, etc. Include here as expenses any operating losses from cemeteries, schools, real estate operations, etc.

Example U:  St. John’s has an old cemetery in which no more plots can be sold. Income is derived from a small endowment, contributions toward annual care, and the occasional opening in one of the family plots. This income last year totaled $8,700. The wages paid to the maintenance worker who mows the grass and maintains the fences, etc. came to $12,600. The net loss of $3,900 is included on line 14.

Example V:  St. James’ and St. Andrew’s are “yoked” congregations. They share the services of one priest. The priest spends two-thirds of her time at St. James’ and one-third at St. Andrew’s. The priest is on the payroll of St. James’, and St. Andrew’s reimburses St. James’ one-third of the total cost of compensation and benefits. St. Andrew’s records its payments to St. James’ on line 14, “Other Operating Expenses.” St. James’ does not record St. Andrew’s payments as income, but reduces the amount it reports on line 14 by the amount St. Andrew’s contributes.
Example W: The four congregations in Johnson County are a team ministry served by two full-time and one part-time priest. The diocesan office pays the compensation and benefits of the priests on the team. Each congregation pays a good portion of its operating budget to the diocesan office toward their expenses. Each congregation reports the amount of their payments on line 14, not on line 12.

See also examples F, K, L, M, S, T, and I

Subtotal Operating Expenses \((12 + 13 + 14) = [E]\)

\([E] \$\)\________

Remember: Operating income (Line B) in general will equal or be close to the number reported on line E.

Non-Operating Expenses

15. Major improvements and capital expenditures \((15) \$\)\________

Additions to property, major repairs tending to extend the life of the property, new equipment other than normal replacement, and any other improvements or major purchases that would be capitalized in conventional accounting. Include the full cost of the construction or purchase of the building(s) as well as the cost of the land.

See examples I, K, and O.

16. Expenses for congregation’s outreach and mission programs \((16) \$\)\________

Report here all expenses against the income shown on line 10 for parish-based outreach programs such as summer day camps, after-school programs, shelters, food pantries or soup kitchens, shelters, senior citizen programs, etc. Include here the salaries and benefits of program staff and all expenses of operating the program.

17. Funds contributed to Episcopal seminaries \((17) \$\)\________

Include all amounts transmitted from gifts to Theological Education Sunday. Include all other funds contributed to Episcopal seminaries. The income for such gifts and contributions should be reported in line 11 along with all other income that is to be transmitted to other organizations.

18. Funds transmitted to other organizations \((18) \$\)\________

Include all amounts transmitted from gifts for special purposes other than theological education, such as Advent, Lenten, and Good Friday Offerings, Presiding Bishop’s Fund for World Relief, the United Thank Offering, Clergy Discretionary Fund, etc. Include also occasional unbudgeted income that the Vestry has designated for mission program outside the congregation.

The amount shown here, together with line 17, should correspond to the amount on line 11 if all transmittals have been made by year-end. Line 11 reports these offerings coming in. Lines 17 and 18 show these offerings and contributions being transmitted to their intended beneficiaries.

See the examples given with the instructions for line 11.

See examples B, P, R, and T.

Subtotal Non-Operating Expenses \((15 + 16 + 17 + 18) = [F]\)

\([F] \$\)\________
Total All Expenses \( (E + F) = [G] \)  \[G] \$

Notes on Expenses:

**AT YEAR-END:**

As of December 31, 2018:

19. Total cash in all checking and passbook savings accounts \( (19) \) $

Report on this line the total balances in all cash accounts maintained in the name of the congregation. Include organizations’ checking and savings accounts and funds at the discretion of the clergy held under the congregation’s federal ID number.

20. Total investments at market value \( (20) \) $

Report on this line the total market value of all investments: CDs, mutual funds, stocks, bonds, etc., as well as any balance in cash accounts shown on the investment statements at year-end. Line 20 should not include cash accounts (checking and savings) reported in Line 19. Line 20 should include funds invested for the congregation through an Episcopal foundation or other entity providing investment services for congregations.

The figures entered on lines 19 and 20 will almost always be exactly equal to the figures on your audited financial statements for “Cash and cash equivalents” and “Investments.”

Decreases in market value of investments during 2018 will be reflected in the total recorded in line 20. Such losses are not expenses, nor are they “negative investment income.” Negative values are not allowed on the Parochial Report.

**THIS CONCLUDES PAGE 3: THE STEWARDSHIP AND FINANCIAL INSTRUCTIONS WORKBOOK**

- Fill out Page 3 of the Parochial Report using any notes you have made in this workbook.
- File your Parochial Report online at http://pr.dfms.org using your UEID and PIN
- Or, mail the completed Form to your diocese, together with Page 1, Certification, Page 2, Membership, Attendance and Services, and Page 4, Clergy Serving Your Congregation. Do not send this report to the General Convention Office or the DFMS Research Office in New York.
- Keep a copy of the completed Parochial Report form (or download one) and a copy of this workbook for your records.
- You may review and download Parochial Reports for prior years at http://pr.dfms.org
Diocesan Budget
<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parochial Form Report</td>
<td>March 1</td>
</tr>
<tr>
<td>Commitment Letters Sent</td>
<td>April 29</td>
</tr>
<tr>
<td>Departmental Expense Requests</td>
<td>April 29</td>
</tr>
<tr>
<td>Commitment Letters Due</td>
<td>June 1</td>
</tr>
<tr>
<td>Mission Priorities</td>
<td>June 15</td>
</tr>
<tr>
<td>Present Unbalanced Budget T&amp;C</td>
<td>June 27</td>
</tr>
<tr>
<td>T&amp;C meets to review, Mission Funding Paired, Congregations</td>
<td>July 27</td>
</tr>
<tr>
<td>Final budget proposal</td>
<td>August 22</td>
</tr>
</tbody>
</table>
### INCOME:

#### CONGREGATIONAL ASSESSMENTS

**A. (13% UNLESS OTHERWISE NOTED)**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Christ Church Cathedral, Louisville</td>
<td>50,276</td>
</tr>
<tr>
<td>2</td>
<td>St. Luke's, Anchorage</td>
<td>60,336</td>
</tr>
<tr>
<td>3</td>
<td>Church of the Ascension, Bardstown</td>
<td>9,549</td>
</tr>
<tr>
<td>4</td>
<td>Christ Church, Bowling Green</td>
<td>96,315</td>
</tr>
<tr>
<td>5</td>
<td>Holy Trinity, Brandenburg</td>
<td>6,072</td>
</tr>
<tr>
<td>6</td>
<td>St. Thomas, Campbellsville</td>
<td>3,536</td>
</tr>
<tr>
<td>7</td>
<td>Christ Church, Elizabethtown</td>
<td>11,889</td>
</tr>
<tr>
<td>8</td>
<td>St. Alban's, Fern Creek</td>
<td>3,300</td>
</tr>
<tr>
<td>9</td>
<td>Resurrection, Louisville</td>
<td>2,173</td>
</tr>
<tr>
<td>10</td>
<td>Trinity, Fulton</td>
<td>7,592</td>
</tr>
<tr>
<td>11</td>
<td>St. Peter's, Gilbertsville</td>
<td>29,149</td>
</tr>
<tr>
<td>12</td>
<td>St. Andrew's, Glasgow</td>
<td>1,369</td>
</tr>
<tr>
<td>13</td>
<td>St. Francis, Harrods Creek (DEPO)</td>
<td>143,600</td>
</tr>
<tr>
<td>14</td>
<td>St. Paul's, Henderson</td>
<td>34,337</td>
</tr>
<tr>
<td>15</td>
<td>St. Paul's, Hickman</td>
<td>73,441</td>
</tr>
<tr>
<td>16</td>
<td>Calvary, Louisville</td>
<td>34,499</td>
</tr>
<tr>
<td>17</td>
<td>Church of the Advent, Louisville</td>
<td>3,801</td>
</tr>
<tr>
<td>18</td>
<td>Messiah-Trinity, Louisville</td>
<td>7,134</td>
</tr>
<tr>
<td>19</td>
<td>Our Merciful Saviour, Louisville</td>
<td>71,485</td>
</tr>
<tr>
<td>20</td>
<td>St. Andrew's, Louisville</td>
<td>172</td>
</tr>
<tr>
<td>21</td>
<td>St. Clement's, Louisville</td>
<td>5,472</td>
</tr>
<tr>
<td>22</td>
<td>St. George's, Louisville</td>
<td>40,243</td>
</tr>
<tr>
<td>23</td>
<td>St. Mark's, Louisville</td>
<td>93,231</td>
</tr>
<tr>
<td>24</td>
<td>St. Matthew's, Louisville</td>
<td>27,932</td>
</tr>
<tr>
<td>25</td>
<td>St. Paul's, Louisville</td>
<td>9,884</td>
</tr>
<tr>
<td>26</td>
<td>St. Thomas, Louisville</td>
<td>27,239</td>
</tr>
<tr>
<td>27</td>
<td>St. John's, Madisonville</td>
<td>15,578</td>
</tr>
<tr>
<td>28</td>
<td>St. John's, Murray</td>
<td>26,739</td>
</tr>
<tr>
<td>29</td>
<td>Trinity, Owensboro</td>
<td>41,050</td>
</tr>
<tr>
<td>30</td>
<td>Grace, Paducah</td>
<td>63,801</td>
</tr>
<tr>
<td>31</td>
<td>St. James', PaWee Valley</td>
<td>23,255</td>
</tr>
<tr>
<td>32</td>
<td>Trinity, Russellville</td>
<td>11,092</td>
</tr>
<tr>
<td>33</td>
<td>St. James', Shelbyville</td>
<td>11,207</td>
</tr>
<tr>
<td>34</td>
<td>St. Luke's Chapel, Louisville</td>
<td>3,539</td>
</tr>
</tbody>
</table>

**37 TOTAL CONGREGATIONAL PLEDGES**

<table>
<thead>
<tr>
<th>Line</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,050,157</td>
</tr>
</tbody>
</table>

### B. OTHER FUNDING SOURCES:

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>BISHOP DUDLEY FUND (amount from SYB 2017)</td>
<td>198,000</td>
</tr>
<tr>
<td>39</td>
<td>ENDOWMENT SPENDING</td>
<td>125,000</td>
</tr>
<tr>
<td>40</td>
<td>SPECIAL &amp; INDIVIDUAL GIFTS</td>
<td>200,000</td>
</tr>
<tr>
<td>41</td>
<td>BRENNAN MINISTRY DEVELOPMENT &amp; CONT. EDUCATION GRANTS</td>
<td>80,000</td>
</tr>
<tr>
<td>42</td>
<td>MARCIA HITE FUNDING FOR THEOLOGICAL EDUCATION</td>
<td>26,000</td>
</tr>
<tr>
<td>43</td>
<td>PURCHASE AREA FUNDING-MAYFIELD</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>TACHAU ENDOWMENT INCOME</td>
<td>14,925</td>
</tr>
<tr>
<td>45</td>
<td>NEW MISSION FUNDING</td>
<td>5,000</td>
</tr>
<tr>
<td>46</td>
<td>PRIOR YEARS' SURPLUS</td>
<td>9,131.00</td>
</tr>
<tr>
<td>47</td>
<td>TOTAL OTHER FUNDING SOURCES</td>
<td>657,457</td>
</tr>
</tbody>
</table>

**48 TOTAL INCOME**

<table>
<thead>
<tr>
<th>Line</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,707,614</td>
</tr>
</tbody>
</table>
### II. COSTS:

#### A. DIOCESAN DEPARTMENTS:

##### (1) EVANGELISM AND CONGREGATIONAL DEVELOPMENT:

**MISSION FUNDING:**

<table>
<thead>
<tr>
<th>Department</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONGREGATIONS/OUTREACH</td>
<td></td>
</tr>
<tr>
<td><strong>ST. THOMAS, CAMPBELLSVILLE</strong></td>
<td>13,500</td>
</tr>
<tr>
<td><strong>CHRIST CHURCH CATHEDRAL</strong></td>
<td>4,950</td>
</tr>
<tr>
<td><strong>ST MATTHEWS CHURCH</strong></td>
<td>3,000</td>
</tr>
<tr>
<td><strong>ST. ANDREWS, GLASGOW</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ST. GEORGE'S CHURCH, LOUISVILLE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ST. PETERS OF THE LAKE, GILBERTSVILLE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>OUR MERCIFUL SAVIOUR</strong></td>
<td>8,000</td>
</tr>
<tr>
<td><strong>MISSION FUNDING COMMUNITY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>KENTUCKY REFUGEE MINISTRIES</strong></td>
<td>8,000</td>
</tr>
<tr>
<td><strong>AARON MCNEIL HOUSE</strong></td>
<td>14,500</td>
</tr>
<tr>
<td><strong>ST. GEORGE'S COMM. CENTER</strong></td>
<td>18,775</td>
</tr>
<tr>
<td><strong>ST GEORGES SCHOLAR INSTITUTE</strong></td>
<td>18,775</td>
</tr>
</tbody>
</table>

**DEPARTMENT COSTS:**

<table>
<thead>
<tr>
<th>Department</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTERDEPARTMENTAL COSTS</strong></td>
<td>1,000</td>
</tr>
<tr>
<td><strong>PARTNERSHIP INITIATIVES</strong></td>
<td>6,000</td>
</tr>
<tr>
<td><strong>LEADERSHIP TRAINING &amp; CONFERENCES</strong></td>
<td>4,100</td>
</tr>
<tr>
<td>Congregational Leadership</td>
<td></td>
</tr>
<tr>
<td>New Beginnings</td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous expenses</strong></td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Pastoral Response Team</strong></td>
<td>500</td>
</tr>
</tbody>
</table>

**TOTAL DEPARTMENT COSTS**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,100</td>
</tr>
</tbody>
</table>

**TOTAL EVANGELISM AND CONGREGATIONAL DEVELOPMENT**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>107,600</td>
</tr>
</tbody>
</table>

##### (2) CHRISTIAN FORMATION:

**COLLEGE MINISTRIES:**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNIVERSITY OF LOUISVILLE JOINT CAMPUS MINISTRY (ELCAVTec)</td>
<td>25,000</td>
</tr>
<tr>
<td>MURRAY STATE UNIVERSITY</td>
<td></td>
</tr>
<tr>
<td>- CHAPLAIN</td>
<td>30,858</td>
</tr>
<tr>
<td>- PROGRAM</td>
<td>6,000</td>
</tr>
<tr>
<td>WESTERN KENTUCKY UNIVERSITY</td>
<td></td>
</tr>
<tr>
<td>- CHAPLAIN (INCLUDES A 1.5% COLA)</td>
<td>27,540</td>
</tr>
<tr>
<td>- PROGRAM</td>
<td>11,000</td>
</tr>
</tbody>
</table>

**TOTAL COLLEGE MINISTRIES**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,398</td>
</tr>
</tbody>
</table>

**DEPARTMENT COSTS:**

<table>
<thead>
<tr>
<th>Department</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHOOL OF MINISTRY (Funding from Brennan Theo. in COM's budget.)</td>
<td>18,000</td>
</tr>
<tr>
<td>EDUCATION FOR MINISTRY</td>
<td>1,800</td>
</tr>
<tr>
<td>CHRISTIAN FORMATION CONF/EVENTS</td>
<td>1,000</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>500</td>
</tr>
<tr>
<td>LEADERSHIP TRAINING &amp; CONFERENCES*</td>
<td>1,500</td>
</tr>
<tr>
<td>COMMUNICATIONS</td>
<td>100</td>
</tr>
</tbody>
</table>

**TOTAL DEPARTMENT COSTS**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,900</td>
</tr>
<tr>
<td>Category</td>
</tr>
<tr>
<td>----------------------------------------------</td>
</tr>
<tr>
<td><strong>YOUTH:</strong></td>
</tr>
<tr>
<td>Leadership Training (Christian Ed Dept Conference)</td>
</tr>
<tr>
<td>Youth Council Expenses</td>
</tr>
<tr>
<td>Communications</td>
</tr>
<tr>
<td>Postage</td>
</tr>
<tr>
<td>Promotions</td>
</tr>
<tr>
<td>Youth Department Exp</td>
</tr>
<tr>
<td>Bishop's Ball</td>
</tr>
<tr>
<td>Gathering Supplies</td>
</tr>
<tr>
<td>Gathering Staff Room/board (Does not include all Saints rate increase)</td>
</tr>
<tr>
<td>Gathering Scholarships (Does not include all Saints rate increase)</td>
</tr>
<tr>
<td><strong>TOTAL YOUTH EXPENSE</strong></td>
</tr>
<tr>
<td><strong>CAMPS:</strong></td>
</tr>
<tr>
<td>Camp Operating Supplies</td>
</tr>
<tr>
<td>Counselor, Clergy, Medical Training and Counselor Orientation Weekend</td>
</tr>
<tr>
<td>Counselor Salaries</td>
</tr>
<tr>
<td>Counselor/Staff Room/board</td>
</tr>
<tr>
<td>Priest's Family Room/board</td>
</tr>
<tr>
<td>Music</td>
</tr>
<tr>
<td>Scholarships</td>
</tr>
<tr>
<td>Promotions &amp; T-shirts</td>
</tr>
<tr>
<td>Eye/Py/ECU Events</td>
</tr>
<tr>
<td><strong>TOTAL CAMP EXPENSE</strong></td>
</tr>
<tr>
<td><strong>ALL SAINTS' CENTER:</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CHRISTIAN FORMATION COSTS</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>(3) JUBILEE AND JUSTICE</strong></td>
</tr>
<tr>
<td>Jubilee Ministries</td>
</tr>
<tr>
<td>Health Ministries</td>
</tr>
<tr>
<td><strong>TOTAL JUBILEE AND JUSTICE</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>(4) FINANCE AND STEWARDSHIP</strong></td>
</tr>
<tr>
<td>Dept. of Stewardship (Ten's Conf.)</td>
</tr>
<tr>
<td>Diocesan Audit</td>
</tr>
<tr>
<td>Finance Department Expenses</td>
</tr>
<tr>
<td><strong>TOTAL FINANCE AND STEWARDSHIP</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>TOTAL DIOCESAN DEPARTMENTS</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>B. EPISCOPAL CHURCH AND ECUMENICAL OUTREACH:</strong></td>
</tr>
<tr>
<td>Episcopal USA Church Program 2019 = 15%</td>
</tr>
<tr>
<td>Province IV Assessment</td>
</tr>
<tr>
<td>University of the South</td>
</tr>
<tr>
<td>General Convention 2021</td>
</tr>
<tr>
<td>Provinicial Synod</td>
</tr>
<tr>
<td>Lambeth Conference 2018</td>
</tr>
<tr>
<td>Kentucky Council of Churches</td>
</tr>
<tr>
<td><strong>TOTAL EPISCOPAL CHURCH &amp; ECUMENICAL OUTREACH</strong></td>
</tr>
</tbody>
</table>
C. **DIOCESAN STAFF AND OPERATIONAL COSTS:**

(1) **DIOCESAN STAFF COMPENSATION:**

**THE EPISCOPATE:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>122</td>
<td>BISHOP - SALARY (Merit Increase in odd years/COLA even years COLA included)</td>
<td>143,328</td>
</tr>
<tr>
<td>123</td>
<td>BISHOP - HOUSING</td>
<td>36,000</td>
</tr>
<tr>
<td>124</td>
<td>BISHOP - PENSION (Included)</td>
<td>32,133</td>
</tr>
<tr>
<td>125</td>
<td>BISHOP - INSURANCE (BCBS PPO 80/60, DENTAL-FAMILY)(LIFE)</td>
<td>32,486</td>
</tr>
<tr>
<td></td>
<td>BCBS PPO 80/60 FAMILY</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DENTAL FAMILY</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LIFE $100,000</td>
<td></td>
</tr>
<tr>
<td>126</td>
<td>BISHOP - AUTO</td>
<td>7,000</td>
</tr>
<tr>
<td>127</td>
<td>BISHOP - TRAVEL</td>
<td>7,000</td>
</tr>
<tr>
<td></td>
<td>CELL PHONE (PRIMARY ACCOUNT)</td>
<td>2,396</td>
</tr>
<tr>
<td>128</td>
<td>BISHOP - PROFESSIONAL EXPENSE</td>
<td>4,000</td>
</tr>
<tr>
<td>129</td>
<td>BISHOP - REPLACEMENT AUTO</td>
<td>10,000</td>
</tr>
<tr>
<td>130</td>
<td>BISHOP - PROFESSIONAL DEVELOPMENT($$ from BT)</td>
<td>1,000</td>
</tr>
<tr>
<td>131</td>
<td>TOTAL EPISCOPATE</td>
<td>275,343</td>
</tr>
</tbody>
</table>

**PROGRAM SUPPORT STAFF:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>132</td>
<td>CANON TO THE ORDINARY - SALARY (2% COLA INCREASE INCLUDED)</td>
<td>61,924</td>
</tr>
<tr>
<td>133</td>
<td>CANON TO THE ORDINARY - HOUSING</td>
<td>29,000</td>
</tr>
<tr>
<td>134</td>
<td>CANON TO THE ORDINARY - INSURANCE (BCBS PPO 80/60, DENTAL, LIFE)</td>
<td>11,826</td>
</tr>
<tr>
<td></td>
<td>BCBS 80/60 SINGLE (Spouse's insurance)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LIFE INSURANCE $100,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DENTAL SINGLE</td>
<td></td>
</tr>
<tr>
<td>135</td>
<td>CANON TO THE ORDINARY - PENSION</td>
<td>16,368</td>
</tr>
<tr>
<td>136</td>
<td>CANON TO THE ORDINARY - PROFESSIONAL DEVELOPMENT ($$ from BT)(TUITION &amp; CODE)</td>
<td>5,000</td>
</tr>
<tr>
<td>137</td>
<td>CANON TO THE ORDINARY - PROFESSIONAL EXPENSE</td>
<td>750</td>
</tr>
<tr>
<td>138</td>
<td>CANON TO THE ORDINARY - TRAVEL (INCLUDES CELL PHONE)</td>
<td>4,500</td>
</tr>
<tr>
<td>139</td>
<td>CANON FOR CONGREGATIONAL VITALITY- SALARY (3% MERIT INCREASE INCLUDED)</td>
<td>61,100</td>
</tr>
<tr>
<td>140</td>
<td>CANON FOR CONGREGATIONAL VITALITY - HOUSING</td>
<td>26,000</td>
</tr>
<tr>
<td>141</td>
<td>CANON FOR CONGREGATIONAL VITALITY - INSURANCE (BCBS PPO 80/60) (DENTAL, LIFE)</td>
<td>32,486</td>
</tr>
<tr>
<td></td>
<td>BCBS PPO 80/60 FAMILY</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DENTAL FAMILY</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LIFE $100,000</td>
<td></td>
</tr>
<tr>
<td>142</td>
<td>CANON FOR CONGREGATIONAL VITALITY - PENSION</td>
<td>15,585</td>
</tr>
<tr>
<td>143</td>
<td>CANON FOR CONGREGATIONAL VITALITY - PROFESSIONAL DEVELOPMENT (TENS&amp;MISSION)</td>
<td>5,000</td>
</tr>
<tr>
<td>144</td>
<td>CANON FOR CONGREGATIONAL VITALITY - PROFESSIONAL EXPENSE</td>
<td>1,250</td>
</tr>
<tr>
<td>145</td>
<td>CANON FOR CONGREGATIONAL VITALITY - TRAVEL (INCLUDES CELL PHONE)</td>
<td>15,000</td>
</tr>
<tr>
<td>146</td>
<td>YOUTH COORDINATOR - SALARY + COLA 2%</td>
<td>37,944</td>
</tr>
<tr>
<td>147</td>
<td>YOUTH COORDINATOR - FICA</td>
<td>2,903</td>
</tr>
<tr>
<td>148</td>
<td>YOUTH COORDINATOR - INSURANCE</td>
<td>11,889</td>
</tr>
<tr>
<td></td>
<td>BCBS PPO 80/60 SINGLE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LIFE $10,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DENTAL SINGLE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DISABILITY EST</td>
<td></td>
</tr>
<tr>
<td>149</td>
<td>YOUTH COORDINATOR - PENSION</td>
<td>3,483</td>
</tr>
<tr>
<td>150</td>
<td>YOUTH COORDINATOR - CONTINUING EDUCATION</td>
<td>1,500</td>
</tr>
<tr>
<td>151</td>
<td>YOUTH COORDINATOR - TRAVEL (INCLUDES CELL PHONE)</td>
<td>2,000</td>
</tr>
<tr>
<td>152</td>
<td>ASST. FOR ADMIN. &amp; COMMUNICATIONS - SALARY (1.5% COLA INCREASE INCLUDED)</td>
<td>36,540</td>
</tr>
<tr>
<td>153</td>
<td>ASST. FOR ADMIN. &amp; COMMUNICATIONS - FICA</td>
<td>2,795</td>
</tr>
<tr>
<td>154</td>
<td>ASST. FOR ADMIN. &amp; COMMUNICATIONS - INSURANCE</td>
<td>11,889</td>
</tr>
<tr>
<td></td>
<td>BCBS PPO 80/60 SINGLE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LIFE $10,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DENTAL SINGLE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DISABILITY</td>
<td></td>
</tr>
<tr>
<td>155</td>
<td>ASST. FOR ADMIN. &amp; COMMUNICATIONS - PENSION</td>
<td>3,289</td>
</tr>
<tr>
<td>156</td>
<td>ASST. FOR ADMIN. &amp; COMMUNICATIONS - CONTINUING EDUCATION</td>
<td>1,000</td>
</tr>
<tr>
<td>157</td>
<td>ASST. FOR ADMIN. &amp; COMMUNICATIONS - TRAVEL</td>
<td>1,000</td>
</tr>
</tbody>
</table>
### TOTAL PROGRAM SUPPORT STAFF

**ADMINISTRATIVE STAFF:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SENIOR FINANCIAL ACCOUNTANT - SALARY (COLA 2% included)</td>
<td>68,076</td>
</tr>
<tr>
<td>SENIOR FINANCIAL ACCOUNTANT - FICA</td>
<td>5,160</td>
</tr>
<tr>
<td>SENIOR FINANCIAL ACCOUNTANT - INSURANCE (BCBS PPO 80/60)</td>
<td></td>
</tr>
<tr>
<td>BCBS PPO 80/60 SINGLE</td>
<td></td>
</tr>
<tr>
<td>LIFE $10,000</td>
<td></td>
</tr>
<tr>
<td>DENTAL SINGLE</td>
<td></td>
</tr>
<tr>
<td>DISABILITY</td>
<td></td>
</tr>
<tr>
<td>SENIOR FINANCIAL ACCOUNTANT - PENSION</td>
<td>6,127</td>
</tr>
<tr>
<td>SENIOR FINANCIAL ACCOUNTANT - CONTINUING EDUCATION</td>
<td>1,500</td>
</tr>
<tr>
<td>SENIOR FINANCIAL ACCOUNTANT - TRAVEL</td>
<td>2,000</td>
</tr>
<tr>
<td>FINANCIAL ASSISTANT - SALARY</td>
<td>42,000</td>
</tr>
<tr>
<td>FINANCIAL ASSISTANT - FICA</td>
<td>3,780</td>
</tr>
<tr>
<td>FINANCIAL ASSISTANT - INSURANCE</td>
<td>11,529</td>
</tr>
<tr>
<td>BCBS PPO 80/60 EMPLOYEE</td>
<td></td>
</tr>
<tr>
<td>LIFE $10,000</td>
<td>911</td>
</tr>
<tr>
<td>DENTAL EMPLOYEE</td>
<td>521</td>
</tr>
<tr>
<td>DISABILITY</td>
<td></td>
</tr>
<tr>
<td>FINANCIAL ASSISTANT - PENSION</td>
<td>3,780</td>
</tr>
<tr>
<td>FINANCIAL ASSISTANT - CONTINUING EDUCATION</td>
<td>1,000</td>
</tr>
<tr>
<td>FINANCIAL ASSISTANT - TRAVEL (PARISH AUDITS)</td>
<td>1,500</td>
</tr>
</tbody>
</table>

**TOTAL ADMINISTRATIVE STAFF: 160,012**

**OTHER DIOCESAN STAFF COSTS:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSURANCE-WORKERS' COMP. (EST INCREASE 10%)</td>
<td>10,378</td>
</tr>
<tr>
<td>STAFF DEVELOPMENT (RETREAT &amp; 2 PEOPLE TO ACS TRAINING)</td>
<td>3,000</td>
</tr>
<tr>
<td>STAFF SALARY (INCREASES 2% COLA AND 1 MERIT INCREASE)</td>
<td></td>
</tr>
<tr>
<td>STAFF FRINGE ADJ. (FICA ) (FRINGE FOR 2 MERIT)</td>
<td></td>
</tr>
<tr>
<td>TOTAL OTHER DIOCESAN STAFF COSTS</td>
<td>13,378</td>
</tr>
</tbody>
</table>

**TOTAL DIOCESAN STAFF COMPENSATION: 850,764**
<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>178</td>
<td>RENT</td>
<td>46,348</td>
</tr>
<tr>
<td>179</td>
<td>PARKING (4 SPACES STAFF FOR 2017, at $100)</td>
<td>4,800</td>
</tr>
<tr>
<td>180</td>
<td>UTILITIES (2017 BUDGET INCREASE LGE RATE INCREASE 10%)</td>
<td>25,000</td>
</tr>
<tr>
<td>181</td>
<td>OFFICE SUPPLIES (INK FOR POSTAGE METER &amp; COPIER, PAYROLL FORMS, CKS, MISC.)</td>
<td>7,000</td>
</tr>
<tr>
<td>182</td>
<td>OFFICE HOSPITALITY</td>
<td>800</td>
</tr>
<tr>
<td>183</td>
<td>PURCHASES &amp; RENTAL FEES (acs, postage meter &amp; sentry file)</td>
<td>7,921</td>
</tr>
<tr>
<td></td>
<td>ACIS 7 modules 15,000 records + on line $442 per month + 5% increase = $486 MONTHLY</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SENTRY FILE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>POSTAGE METER ($55.00 PER QUARTER)</td>
<td></td>
</tr>
<tr>
<td>184</td>
<td>EQUIPMENT - MAINT. &amp; REPAIRS</td>
<td>8,628</td>
</tr>
<tr>
<td></td>
<td>MAINT. ON SAVIN, (2) RICOH PRINTERS ($185 per month + 600 for color ink)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ABS BACK-UP SENTRY FILES OFF SITE ($50 per month) (EST 10% INCREASE)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ABS MONTHLY MAINTENANCE ($350 per month) (EST. 10% INCREASE)</td>
<td></td>
</tr>
<tr>
<td>185</td>
<td>EQUIPMENT - RESERVES - COPIER REPLACEMENT</td>
<td>2,400</td>
</tr>
<tr>
<td>186</td>
<td>EQUIPMENT - RESERVES - COMPUTER (hardware &amp; software)</td>
<td>3,000</td>
</tr>
<tr>
<td>187</td>
<td>TELEPHONE</td>
<td>3,600</td>
</tr>
<tr>
<td>188</td>
<td>ONLINE SERVICES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMAIL SCHEDULER</td>
<td>170</td>
</tr>
<tr>
<td></td>
<td>DOMAIN NAME</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SPAMFILTER</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ANTI-VIRUS (ESTIMATE)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FIREWALL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SATELLITE CONNECTION FOR INTERNET-BISHOP</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td>INTERNET SERVICE</td>
<td>421</td>
</tr>
<tr>
<td>189</td>
<td>POSTAGE</td>
<td>1,900</td>
</tr>
<tr>
<td>190</td>
<td>INSURANCE-PROP &amp; LIABILITY</td>
<td>1,000</td>
</tr>
<tr>
<td>191</td>
<td>INSURANCE-PROPERTY &amp; SAFETY ADM. TRAVEL</td>
<td>13,160</td>
</tr>
<tr>
<td>192</td>
<td>SUBSCRIPTIONS &amp; PROFESSION FEES (CODE, St Filing fee, Ch Fin. Law &amp; Tax, Living Ch, etc.)</td>
<td>1,000</td>
</tr>
<tr>
<td>193</td>
<td>BANK FEES (ACH use)</td>
<td>1,200</td>
</tr>
<tr>
<td>194</td>
<td>LOAN COMPUTER EQUIPMENT</td>
<td></td>
</tr>
<tr>
<td>195</td>
<td>LOAN FOR BISHOP SEARCH</td>
<td></td>
</tr>
<tr>
<td>196</td>
<td>TOTAL OFFICE COSTS</td>
<td>128,848</td>
</tr>
</tbody>
</table>

(3) COMMUNICATIONS:

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>197</td>
<td>DESIGN &amp; MARKETING (INCLUDES DIRECT MAIL PRINTING &amp; POSTAGE)</td>
<td>5,000</td>
</tr>
<tr>
<td>198</td>
<td>MOBILE COMMUNICATIONS &amp; EQUIPMENT (INCLUDES WEBX CONFERENCING)</td>
<td>1,750</td>
</tr>
<tr>
<td>199</td>
<td>MEDIA MGT., SUBSCRIPTIONS, FEES</td>
<td>359</td>
</tr>
<tr>
<td>200</td>
<td>CONVENTION</td>
<td></td>
</tr>
<tr>
<td>201</td>
<td>WEBSITE</td>
<td>6,300</td>
</tr>
<tr>
<td>202</td>
<td>WORKSHOPS &amp; TRAINING</td>
<td></td>
</tr>
<tr>
<td>203</td>
<td>MISCELLANEOUS</td>
<td></td>
</tr>
<tr>
<td>204</td>
<td>TOTAL COMMUNICATIONS</td>
<td>13,409</td>
</tr>
<tr>
<td>205</td>
<td>CONTINGENCIES</td>
<td>9,982</td>
</tr>
<tr>
<td>-----</td>
<td>---------------</td>
<td>-------</td>
</tr>
<tr>
<td>206</td>
<td>SEXUAL MISCONDUCT PREVENTION (on web)</td>
<td>200</td>
</tr>
<tr>
<td>207</td>
<td>DISCIPLINARY BOARD EXPENSE</td>
<td>2,500</td>
</tr>
<tr>
<td>208</td>
<td>RETIRED CLERGY CHAPLAIN</td>
<td>4,606</td>
</tr>
<tr>
<td>209</td>
<td>CONVENTION: ADV REPT/JOURNAL</td>
<td>3,000</td>
</tr>
<tr>
<td>210</td>
<td>DIOCESAN CONVENTION (TECH &amp; STAFF EXPENSE AND INFORMATIONAL DATA)</td>
<td>3,000</td>
</tr>
<tr>
<td>211</td>
<td>CLERGY DEPLOYMENT EXPENSES (INCLUDES TRANSITION CONFERENCE)</td>
<td>5,500</td>
</tr>
<tr>
<td>212</td>
<td>TRUSTEES &amp; COUNCIL (ROOM &amp; BOARD &amp; FOOD EXPENSE)</td>
<td>2,000</td>
</tr>
<tr>
<td>213</td>
<td>COMMISSION ON MINISTRY - DEPARTMENT EXPENSES (Food, Travel, Bibles, Mtgs, Cert. &amp; Invitations)</td>
<td>1,200</td>
</tr>
<tr>
<td>214</td>
<td>LITURGICAL COMMISSION (Ordination &amp; Diocesan Events)</td>
<td>2,000</td>
</tr>
<tr>
<td>215</td>
<td>ECUMENICAL COMMISSION</td>
<td>100</td>
</tr>
<tr>
<td>216</td>
<td>STANDING COMMITTEE</td>
<td>1,500</td>
</tr>
<tr>
<td>217</td>
<td>COMPANION DIOCESE COMMITTEE</td>
<td>1,000</td>
</tr>
<tr>
<td>218</td>
<td>HISTORIOGRAPHER</td>
<td>2,000</td>
</tr>
<tr>
<td>219</td>
<td>CHANCELLOR</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>ARCHIVES/ARCHIVIST</td>
<td></td>
</tr>
<tr>
<td>221</td>
<td>TOTAL DIOCESAN OPERATIONAL COSTS</td>
<td>180,845</td>
</tr>
<tr>
<td>222</td>
<td>TOTAL COSTS</td>
<td>1,707,614</td>
</tr>
</tbody>
</table>

Increase over 2018 budget

*NOTE ON SOURCE OF INDIVIDUAL GIFTS
Ballard Fund: 100,000
Receveur Fund: 50,000
St. Alban's: 50,000

***NOTE ON SOURCE FOR OFFICE UPDATES
off-budget-capital $8700
FOUR IMPORTANT CONSIDERATIONS FOR CONGREGATIONS REGARDING THEIR ANNUAL DIOCESAN BUDGET ASSESSMENT

1.1 Some congregations feel they can amend their assessment after submitting the forms to the diocesan budget committee. We have no way to amend the diocesan budget once convention votes to accept the balanced budget presented at Convention. There is no mechanism in the canons to do so.

1.2 Since Convention voted to approve the revision of Canon 16 at the 2015 Convention, the amount required from each congregation is an assessment, not a pledge. Whatever a congregation submits on their form is what is booked for the budget. The commitment form, which each congregation receives with their assessment, must be returned to the Budget Committee at least 45 days prior to the first session of each year’s Convention.

1.3 The non-discretionary (non-restricted) income listed on the 2016 parochial report is the basis for computing the 2018 assessment. Thus, what a congregation anticipates or collects in 2018 has no bearing on the amount of the 2018 assessment. The assessment is based on prior years because there is no way to predict the actual amount in the current year until the year ends. If the current year income ends up being less than previous years, it will be reflected in the 2019 assessment, so, over time, a congregation will catch up. Trusting in God and the good people of our congregations, making the monthly remittance of one twelfth of the assessment as submitted, achieves two purposes:

1.0.a It sends a message to the congregation that the integrity of the Vestry/Bishop’s Committee (and thus the congregation) is secured by keeping a commitment made and accepted by congregation and diocesan leadership in good faith.

1.0.b It buys time, to allow for opportunities for management-driven savings or stewardship increases that will equal a potential shortfall.

1.4 If a congregation’s shortfall is a small percentage of the 2016 income, we suggest that the amount be divided by the number of 2018 pledges received, and then be divided by 12 months or even 52 weeks, to show folks how small an increase across the board it will take to make up the shortfall. These items, particularly the last one, will help folks think through the situation, rather than look for the lowest hanging fruit, and find a way for a win-win. One of our smaller congregations faced a shortfall in terms of actual pledges vs. budget two years ago; they simply sent every household a letter stating the situation and asked folks to reconsider their pledge. People did. It really is ok to go back to the well...when the ox is in the ditch.

David Brooks, Treasurer, Episcopal Diocese of Kentucky

The Rev. Deacon Dru Kemp, Chair, Diocesan Budget Committee

The Rev. Karl Lusk, Co-chair, Diocesan Budget Committee
General Clergy and Lay Benefits
Dear church leaders,

The Episcopal Diocese of Kentucky's Church Pension Fund Committee seeks your assistance. Each congregation is asked to designate a Senior or Administrative Officer to The ER (Employee Roster). As leaders to your parish you are asked to provide authorization to the Diocese to add him/her to the web-based application. Please speak with these individuals and make it clear how delicate this work is. After they accept the responsibilities of such duties, please write and sign this request:

Congregation: ________________________________ (Name)

Leader(s) Names and Title: ________________________________ (Print)

________________________________________ (Sign)

________________________________________ (Date)

Email: __________________________ Phone #: __________________________

Leader(s) Names and Title: ________________________________ (Print)

________________________________________ (Sign)

________________________________________ (Date)

Email: __________________________ Phone #: __________________________

As leader(s) of this parish, I (We) authorize the following individual to oversee The Employee Roster web-based system.

Senior or Administrative Officer: ________________________________ (Full name)

Email: __________________________ Phone #: __________________________
What is the Employee Roster? The CPG Employee Roster is a web-based application designed to help you manage the employee enrollment and benefit activities for your organization. After employees are entered into the ER, you can enroll them into Pension or Group Health, Life and Disability benefits.

Senior Officers are staff or volunteers at an institution who are responsible for administering the Employee Roster. They can also assign Administrative Officers to perform these duties, allowing them to view confidential employee information, add new employees and update existing records. Administrative Officers can perform the same tasks as Senior Officers except they cannot add other Officers.

The Employee Roster contains confidential employee information that the Senior Officer can access and change. Therefore, before designating Senior or Administrative Officers, you must confirm with this institution that he or she has been granted the authority to access and make changes to the Employee Roster.

Please note that if you have been granted this authority by this institution, you may designate yourself as the Senior Officer for this institution, and will be responsible for completing the list of employees at that institution or designating the person who performs this task.

NOTE-- information required to set up individuals is as follows:

1. Salutation
2. First Name
3. Middle Name
4. Last Name
5. Business Email Address
6. Primary Phone Number, with Extension Number
7. Social Security Number
8. Date of Birth
Perspective
View Perspective, Fall 2018, an update from Mary Kate Wold, CEO and President. In this edition:

- Faith and Finance: Investing in Values
- A Gathering of Beneﬁts Leaders
- Your Stories. Our Work.
- Turning Pages: Church Publishing and Social Responsibility
- Vermont Governor Phil Scott Visits The Church Insurance Companies
- Executive Spotlight: The Rev. Clayton Crawley, Chief Information Ofﬁcer
- 79th General Convention Legislation Recap
- Church Pension Fund Trustees: Vision and Leadership

Observing a Century of Service
When The Church Pension Fund (CPF) began operations in 1917, Bishop William Lawrence set out to create a pension fund that would enable clergy to retire with dignity. Since then our charter has expanded to include other products and services, and to cover lay employees who are critical to the Church’s ability to fulﬁll its mission.

A century later, Bishop Lawrence’s intention lives on in our vision, which is to provide our clients with the highest possible level of ﬁnancial security in retirement consistent with exemplary ﬁnancial stewardship on our part and with the evolving needs of the Church.

Learn more about how CPF continues to serve the changing needs of the Church.

2018 DHP Annual Report
Read the report summarizing recent developments with the The Episcopal Church’s Denominational Health Plan (DHP).

Clergy Deployment Trends
Learn how clergy deployment trends have changed in the Episcopal Church.
- Podcast
- Webinar

Forms & Publications
Visit our Forms and Publications Library
Forms and Publications

Forms
- About Us
- Disability Insurance
- Financial Planning
- Health Plans
- Life Insurance
- Pensions
- Property & Casualty Insurance
- Retirement Savings

Publications
- About Us
- Annual Report
- DHP Annual Report
- Disability Insurance
- Health Plans
- Pensions
- Perspective
- Preventing Sexual Abuse
- Property & Casualty Insurance
- Research
- Retirement Savings
- Tax Publications
- Vintage Voice

New for 2018
- 2018 Annual Report
- A Guide to Clergy Benefits effective January 1, 2018
- Personal Information Change Form - 2018 to report personal changes for clergy and lay employees, including change in address, marriage, divorce, birth, and adoption.
- Employment Change Form - 2018 for changes effective on or after January 1, 2018

As an individual:
(877) 432-9274 (fax)
web: www.cpg.org

Pension, Retirement Plans, & Individual Life Insurance
(866) 802-6333
email: benefits@cpg.org

Medical, Dental, & Group Life/Disability
(800) 480-9967
email: mtcustserv@cpg.org

Fidelity Member Customer Service
(877) 208-0092
web: www.netbenefits.com

Lincoln Financial Group (formerly Liberty Mutual)
(877) 225-1740 Claims
web: www.MyLincolnPortal.com

Company Code for Claims: CPG-EE
2019 Health Benefits Overview
From the Church Pension Fund Committee

This memo contains important information about our 2019 Health Benefits and Annual Enrollment. Please share this information with your employees.

Online Annual Enrollment for 2019 is open through November 16, 2018.

Medical Plans
We are offering the following medical plans to our employees through the Medical Trust. For more information, please visit the Church Medical Trust's website.

<table>
<thead>
<tr>
<th>Medical Plan</th>
<th>Monthly Rates:</th>
<th>Single</th>
<th>Employee + 1</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>MHDE BCBS CDHP-20/HSA</td>
<td>$608</td>
<td>$1,094</td>
<td>$1,702</td>
<td></td>
</tr>
<tr>
<td>MPP3 PPO BCBS 80</td>
<td>$780</td>
<td>$1,404</td>
<td>$2,184</td>
<td></td>
</tr>
<tr>
<td>MPP2 PPO BCBS 90</td>
<td>$860</td>
<td>$1,548</td>
<td>$2,408</td>
<td></td>
</tr>
<tr>
<td>MEAP EAP</td>
<td>$5</td>
<td>$5</td>
<td>$5</td>
<td></td>
</tr>
<tr>
<td>MS11 BCBS MSP PPO 80*</td>
<td>$624</td>
<td>$1,123</td>
<td>$1,747</td>
<td></td>
</tr>
<tr>
<td>MS10 BCBS MSP PPO 90*</td>
<td>$688</td>
<td>$1238</td>
<td>$1926</td>
<td></td>
</tr>
</tbody>
</table>

* These plans are offered as Medicare Supplements. When looking at the Plan Comparison Chart, MS11 receives the same benefits as MPP3; MS10 as MPP2.

Dental Plans
We are offering the following Cigna dental plans through the Medical Trust.

<table>
<thead>
<tr>
<th>Dental Plan</th>
<th>Monthly Rates:</th>
<th>Single</th>
<th>Employee + 1</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive Dental</td>
<td>$28</td>
<td>$50</td>
<td>$78</td>
<td></td>
</tr>
<tr>
<td>Basic Dental 50/150</td>
<td>$54</td>
<td>$97</td>
<td>$151</td>
<td></td>
</tr>
<tr>
<td>Dental and Orthodontia 25/75</td>
<td>$73</td>
<td>$131</td>
<td>$204</td>
<td></td>
</tr>
</tbody>
</table>

What You Need to Know About Annual Enrollment
During the Medical Trust's Annual Enrollment period:

- Current plan members may change their plan selections for the following year
- Eligible non-participating employees have the option to join a plan
- Eligible non-participating dependents may be added to a member's plan without the need of a qualifying event

Currently Enrolled Employees
Please inform your currently enrolled employees (plan members) that they will receive a letter from the Medical Trust. This letter will provide them with information on when and how to access the Annual Enrollment website, a benefits review, and links to important plan resources. In your communications, encourage your employees to begin reviewing their options and research plans early.

Non-participating Employees
Existing employees who qualify for health coverage but are not participating in one of our plans are eligible to enroll themselves and/or their dependents during Annual Enrollment, for the 2019 plan year. Please send communication to these employees informing them of this option, as well as the plans and rates available to them. Attached is the enrollment form for new members. Please complete form and return it to your parish Administrative Officer to The Employee Roster-- before the end of Annual Enrollment, November 16, 2018 (an authorization form for this position is available below). Administrative Officers, please contact the Diocese for assistance, Vicky Kaeser (Vicky@episcopalky.org).
A Plan Comparison Chart along with schedules of Prescription Drugs, Vision, and Dental Benefits are attached to assist you in choosing your 2019 coverage.

Please note, some 2018 plans are no longer available. It is important for you to log on to the Annual Enrollment website and make your selections, as well as checking your personal information and your dependents’ information.

Employee Assistance Program (EAP) with Cigna Behavioral Health
In addition to the health plans, we offer a stand-alone EAP plan that parishes may elect to offer to their employees who opt out of medical benefits coverage. (The EAP is already included as part of every medical plan offering.) This will be billed in the same manner as the medical benefits. Your parish may elect to offer the EAP to all eligible employees who have opted out of medical coverage or to no one.

Designating an Administrator for your congregation’s Employee Roster
The Employee Roster (ER) is a web-based application that lets you manage the employee enrollment and benefit activities for your organization. After employees are entered into the ER, you can enroll them into various CPG benefit programs. Please review the attached memo for more information and complete and return the form included to authorize an officer for your organization’s ER.

Faithfully,

Church Pension Fund Committee

Resource Materials

- 2019 Group Enrollment Form for eligible non-current participating employees
- 2019 Plan Comparisons
- Administrative Officer to The Employee Roster authorization form
THE EPISCOPAL CHURCH MEDICAL TRUST

2019 GROUP ENROLLMENT FORM

Listed below are the health plan choices offered by your group and the associated monthly rates for each, effective January 1, 2019. If you wish to select coverage, please complete the appropriate spaces below and check the box next to your 2019 Health Plan Choices and indicate the Tier (Single, etc.).

Member Information

Name ____________________________
Address __________________________
City, State Zip ____________________
Date of Birth ________________________
Gender M □ F □
Hire Date ________________________

Diocese of Kentucky

0398 Group # ____________
Medical Billing Unit ___________________

Employer’s Name ______________________
Employer’s Address ______________________

[Dependent Information] You may obtain coverage for your eligible children who are age 30 or younger. If your group offers domestic partnership coverage, attach supporting documentation with this form. If you wish to enroll one or more dependents, please attach an additional sheet which includes the following information for each child: Name, Social Security Number, Gender (M/F), Date of Birth, and Relationship to Employee (Spouse, Child).

2019 Health Plan Choices

MEDICAL

<table>
<thead>
<tr>
<th>Option Code</th>
<th>Plan Name</th>
<th>Single</th>
<th>Emp+1</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>MHDB</td>
<td>Anthem BCBS CDHP-20/HSA</td>
<td>$608</td>
<td>$1,094</td>
<td>$1,702</td>
</tr>
<tr>
<td>MPP2</td>
<td>Anthem BCBS BlueCard PPO 90</td>
<td>$860</td>
<td>$1,548</td>
<td>$2,408</td>
</tr>
<tr>
<td>MPP3</td>
<td>Anthem BCBS BlueCard PPO 80</td>
<td>$780</td>
<td>$1,404</td>
<td>$2,184</td>
</tr>
<tr>
<td>MS10</td>
<td>Anthem BCBS BlueCard MSP PPO 90</td>
<td>$688</td>
<td>$1,238</td>
<td>$1,926</td>
</tr>
<tr>
<td>MS11</td>
<td>Anthem BCBS BlueCard MSP PPO 80</td>
<td>$624</td>
<td>$1,123</td>
<td>$1,747</td>
</tr>
</tbody>
</table>

DENTAL

<table>
<thead>
<tr>
<th>Option Code</th>
<th>Plan Name</th>
<th>Single</th>
<th>Emp+1</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>DD25</td>
<td>Dent/Ortho-25/75</td>
<td>$73</td>
<td>$131</td>
<td>$204</td>
</tr>
<tr>
<td>DD50</td>
<td>Basic Dent-50/150</td>
<td>$54</td>
<td>$97</td>
<td>$151</td>
</tr>
<tr>
<td>DDPV</td>
<td>Preventive Dental</td>
<td>$28</td>
<td>$50</td>
<td>$78</td>
</tr>
</tbody>
</table>

When you have made your decision, sign and return this form to your administrator as indicated below:

Employee’s Signature ______________________ Date _____________

MAIL THIS FORM TO:

Edwidge Kasser
Diocese of Kentucky
425 S 2nd St Ste 200
Louisville, KY 40202-1430

TO BE COMPLETED BY THE GROUP ADMINISTRATOR

I hereby certify that this applicant is eligible for coverage and, to the best of my knowledge, all the information provided above is correct.

Administrator’s Signature ______________________ Date _____________
The event of a conflict between this chart and the official Plan document, the official Plan document will govern.

This chart is a general description and is provided for informational purposes only. It should not be viewed as an offer of coverage. In

<table>
<thead>
<tr>
<th>Amputations/Prosthetics</th>
<th>Ambulance Services</th>
<th>Emergency Room Care</th>
<th>Outpatient Surgery</th>
<th>Prescription Services</th>
<th>Preventive Services &amp; Well-Child Care</th>
<th>100% of Charges</th>
<th>20% of Charges</th>
<th>0% of Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>85% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
</tr>
<tr>
<td>Dentist Services (including Urgent Care)</td>
<td>100% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td>20% of Charges</td>
<td>0% of Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This chart is a general description and is provided for informational purposes only. It should not be viewed as an offer of coverage. In the event of a conflict between this chart and the official plan document, the official plan document will govern.
<table>
<thead>
<tr>
<th>Prescription Drug Benefits</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formularies</strong></td>
<td></td>
</tr>
<tr>
<td>Formulary A (Prescription Drug Formulary)</td>
<td></td>
</tr>
<tr>
<td>Formulary B (Prescription Drug Formulary)</td>
<td></td>
</tr>
<tr>
<td>Formulary C (Prescription Drug Formulary)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Deductibles</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Annual Deductible</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Out-of-Pocket Maximum</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Coinsurance</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Copayments</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Dispensing Limit Per</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Tier 1: Generic</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Tier 2: Non-Preferred Brand</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Tier 3: Preferred Brand</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Tier 4: Generics (Not Covered)</strong></td>
<td></td>
</tr>
</tbody>
</table>

This chart is a general description and is provided for informational purposes only. It should not be viewed as an offer of coverage. In the event of a conflict between this chart and the official plan documents, the official plan documents will govern.

Note: You pay 20% after deductible.

Up to a 60-day supply or 90-day supply at 50% off.

Deductible:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>$500</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$1,000</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$1,500</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Copayments:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Copayments Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>None</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$15</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$30</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Coinsurance:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Coinsurance Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>10%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>20%</td>
</tr>
<tr>
<td>Tier 3</td>
<td>30%</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Preferred Brand:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Preferred Brand Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>None</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$500</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$700</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Non-Preferred Brand:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Non-Preferred Brand Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>None</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$500</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$700</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Generic:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Generic Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>None</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$500</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$700</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Preferred Brand:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Preferred Brand Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>None</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$500</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$700</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Generic (Not Covered):

<table>
<thead>
<tr>
<th>Tier</th>
<th>Generic (Not Covered) Deductible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>None</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$500</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$700</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Out-of-Pocket Maximum:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Out-of-Pocket Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>None</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$2,500</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$3,500</td>
</tr>
<tr>
<td>Tier 4</td>
<td>None</td>
</tr>
</tbody>
</table>

Notes:

- Copayments apply to generic, preferred brand, and non-preferred brand prescriptions.
- The out-of-pocket maximum applies to all three tiers.
- Deductibles apply only to the first 90-day supply of each prescription.
- You pay 20% of the cost after the deductible.
- The copayments apply to the 90-day supply.
- The preferred brand deductible is applied to the 90-day supply.
- The generic (not covered) deductible is applied to the 90-day supply.
- The out-of-pocket maximum applies to the 90-day supply.
- This chart is for informational purposes only and does not replace the official plan documents.
<table>
<thead>
<tr>
<th>Plan Pays up to $150</th>
<th>Plan Pays up to $1700</th>
</tr>
</thead>
<tbody>
<tr>
<td>$170 Allowance, then you PAY over $1700</td>
<td>Disposable</td>
</tr>
<tr>
<td>$170 Allowance, 15% of balance over $1700</td>
<td>Disposable</td>
</tr>
<tr>
<td>Plan Pays up to $1700</td>
<td>Disposable</td>
</tr>
</tbody>
</table>

**Contact Lenses (eligible once every calendar year)**

<table>
<thead>
<tr>
<th>Plan Pays up to $1700</th>
<th>Disposable</th>
</tr>
</thead>
<tbody>
<tr>
<td>$170 Allowance, 20% off balance over $1700</td>
<td>Disposable</td>
</tr>
</tbody>
</table>

**Frame Options**

<table>
<thead>
<tr>
<th>20% off retail price</th>
<th>Disposable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disposable</td>
<td></td>
</tr>
</tbody>
</table>

**Lens Options**

| $700 eyeglasses or contact lenses (eligible once every calendar year) | Disposable |
| $700 eyeglasses or contact lenses (eligible once every calendar year) | Disposable |

**Eye Examinations**

| Disposable |
| Disposable |

**Vision Benefits**

| Disposable |
| Disposable |

**OLG & NETWORK**

| Disposable |
| Disposable |
This chart is a general description and is provided for informational purposes only. It should not be viewed as an offer of coverage. In the event of a conflict between this chart and the official plan documentation, the official plan documents will govern.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Outpatient</th>
<th>Inpatient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Deductible</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preventive &amp; Diagnostic Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(DPCs) Average Deductible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Deductible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orthodontia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 50% of $1,500 Individual Lifetime</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Majorepisode Care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Precautionary Care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dental in addition to other preventive and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>emergency services to age 14 in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible for Out-of-Network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible for Out-of-Network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>You Pay 100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Plans described in this document (collectively, the Plans) are sponsored and administered by the Church Pension Group Services Corporation (CPGSC), also known as The Episcopal Church Medical Trust (the Medical Trust). The Plans that are self-funded are funded by The Episcopal Church Clergy and Employees' Benefit Trust (ECCEBT), which is a voluntary employees' beneficiary association within the meaning of section 501(c)(9) of the Internal Revenue Code.

This document contains only a partial, general description of the Plans. It is provided for informational purposes only and should not be viewed as a contract, an offer of coverage, a confirmation of eligibility, or investment, tax, medical or other advice. In the event of a conflict between this document and the official Plan documents (summary of benefits and coverage, Plan Document Handbook), the official Plan documents will govern. The Church Pension Fund and CPGSC (collectively, CPG), retain the right to amend, terminate or modify the terms of the Plans, as well as any post-retirement health subsidy, at any time, for any reason and, unless required by law, without notice.

The Plans are church plans within the meaning of section 3(33) of the Employee Retirement Income Security Act and section 414(e) of the Internal Revenue Code. Not all Plans are available in all areas of the United States, and not all Plans are available on both a self-funded and fully insured basis. The Plans do not cover all healthcare expenses, and Plan participants should read the official Plan documents carefully to determine which benefits are covered, as well as any applicable exclusions, limitations and procedures.

All benefits under the Plans are subject to applicable laws, regulations and policies.

Except for the Preventive Dental PPO Plan, all such benefits are subject to coordination of benefits. The Plans are subrogated to all of the rights of a Plan participant against any party liable for such participant’s illness or injury, to the extent of the reasonable value of the benefits provided to such participant under the Plans. The Plans may assert this right independently of a Plan participant, and such participant is obligated to cooperate with the Medical Trust in order to protect the Plans' subrogation rights.

CPG does not provide any healthcare services and therefore cannot guarantee any results or outcomes. Healthcare providers and vendors are independent contractors in private practice and are neither employees nor agents of CPG. The availability of any particular provider cannot be guaranteed, and provider network composition is subject to change.
Federal Compliance Checklist: Personnel File Contents

Purpose: This checklist lists items that should be included in personnel files, as well as items that should either be kept in a separate file or discarded.

Include in Main Personnel File:

☐ Master data form with personal information
☐ Address
☐ Home and mobile telephone numbers
☐ Date of birth
☐ Social security number
☐ Emergency contacts
☐ Spouse
☐ Employer
☐ Daytime telephone number
☐ Number and names of dependents
☐ Applications
☐ Resumes
☐ Academic transcripts
☐ Recommendation letters
☐ Job-related test results
☐ Name and address of health/benefit plan election (but not health records)
☐ Benefit plan elections/claims/loans/distributions
(If employee's medical information is present in any of the aforementioned documents, it should be secured in a separate file)
☐ Pay advances and repayment agreements
☐ Time records
☐ Attendance/leave records
☐ Salary/pay agreements
☐ Authorization for payroll deductions/withholding
☐ Bank information
☐ Process paychecks
☐ Administer benefits programs
☐ Involuntary payroll deductions
☐ Child support
☐ Garnishment
☐ Individual employment contract(s)
☐ Job description
☐ Waiver/acknowledgement forms
☐ Apprenticeship/training classes and records
☐ Performance evaluations
☐ Awards and honors
☐ Disciplinary actions or complaints
☐ Records of promotion, demotion, transfer, layoff, or termination
☐ Termination letters □ Exit interview records
Keep in Separate File(s):
- Medical records
- Physical examinations
- Drug and/or alcohol testing
- FMLA notices
- Accommodation requests
- Workers' compensation forms, reports, correspondence, and documents
- ADA requires medical records to be kept in separate, locked, confidential files with limited access
- Supervisors and managers with need to know about an employee's medical restrictions
- First aid and safety personnel if the employee's condition could require specific emergency procedures
- Government ADA compliance investigators
- State workers' compensation fund investigators
- Legitimate insurer needs
- Documents that identify employees by race, sex, color, and national origin
- Discrimination Investigative files
- I-9 forms
- Veterans' status records
Kentucky K-4 Form

INSTRUCTIONS

1. NUMBER OF EXEMPTIONS—Do not claim more than the correct number of exemptions. However, if you have unusually large amounts of itemized deductions, you may claim additional exemptions to avoid excess withholding. You may also claim an additional exemption if you will be a member of the Kentucky National Guard at the end of the year. If you expect to owe more income tax for the year than will be withheld, you may increase the withholding by claiming a smaller number of exemptions or you may enter into an agreement with your employer to have additional amounts withheld.

2. CHANGES IN EXEMPTIONS—You may file a new certificate at any time if the number of your exemptions INCREASES.

You must file a new certificate within 10 days if the number of exemptions previously claimed by you DECREASES for any of the following reasons.

(a) Your spouse for whom you have been claiming an exemption is divorced or legally separated, or claims their own exemption on a separate certificate.

(b) The support of a dependent for whom you claimed exemption is taken over by someone else, so that you no longer expect to furnish more than half the support for the year.

(c) Your itemized deductions substantially decrease and a Form K-4A has previously been filed.

OTHER DECREASES in exemption, such as the death of a spouse or a dependent, do not affect your withholding until the next year, but require the filing of a new certificate by December 1 of the year in which they occur.

3. DEPENDENTS—To qualify as your dependent (line 4 on reverse), a person (a) must receive more than one-half of his or her support from you for the year, and (b) must not be claimed as an exemption by such person’s spouse, and (c) must be a citizen of the United States, or a resident of the United States, Canada, or Mexico, or (d) must have lived with you for the entire year as a member of your household or be related to you as follows:

your child, stepchild, legally adopted child, foster child (if he lived in your home as a member of the family for the entire year), grandchild, son-in-law, or daughter-in-law;

your father, mother, or ancestor of either, stepfather, stepmother, father-in-law, or mother-in-law;

your brother, sister, stepbrother, stepsister, brother-in-law, or sister-in-law;

your uncle, aunt, nephew, or niece (but only if related by blood).

4. PENALTIES—Penalties are imposed for willfully supplying false information or willful failure to supply information which would reduce the withholding exemption.

Revenue Form K-4
42A804 (12-99)

KENTUCKY REVENUE CABINET
EMPLOYEE'S WITHHOLDING EXEMPTION CERTIFICATE
Payroll No. ____________________________
Social Security No. _______________________

Print Full Name ____________________________
Print Home Address _________________________________

HOW TO CLAIM YOUR WITHHOLDING EXEMPTIONS

1. If SINGLE, and you claim an exemption, enter “1”; if you do not, enter “0” ____________________________
2. If MARRIED, enter one exemption each for you and spouse if not claimed on another certificate.
(a) If you claim both of these exemptions, enter “2” ____________________________
(b) If you claim one of these exemptions, enter “1” ____________________________
(c) If you claim neither of these exemptions, enter “0” ____________________________
3. Exemptions for age and blindness (applicable only to you and your spouse but not to dependents):
(a) If you or your spouse will be 65 years of age or older at the end of the year, and you claim this exemption, enter “2”; if both will be 65 or older, and you claim both of these exemptions, enter “4” ____________________________
(b) If you or your spouse are blind, and you claim this exemption, enter “2”; if both are blind, and you claim both of these exemptions, enter “4” ____________________________
4. If you claim exemptions for one or more dependents, enter the number of such exemptions ____________________________
5. National Guard exemption (see Instruction 1) ________________________________________________________
6. Exemptions for Excess Itemized Deductions (Form K-4A) ________________________________________________
7. Add the number of exemptions which you have claimed above and enter the total ____________________________
8. Additional withholding per pay period under agreement with employer. See Instruction 1 $ ____________________________

I certify that the number of withholding exemptions claimed on this certificate does not exceed the number to which I am entitled.

Date ____________________________
Signed ____________________________

[Stamp: Kentucky Pays]
CERTIFICATE OF NONRESIDENCE

(Please Type or Print)

Name of employee__________________________________________ Social Security No._____________________________________

Home address_________________________________________________________ Number and street or rural route_________________________
City, town, or post office_________________________________________ State______ ZIP Code_________________________

I have not been a resident of Kentucky during the year. (Check block in front of applicable statement.) I work in Kentucky and reside in:

☐ Illinois, ☐ Indiana, ☐ Michigan, ☐ West Virginia, ☐ Wisconsin
☐ Virginia and commute daily to my place of employment in Kentucky. (Must commute daily to apply.)
☐ Ohio and I am not a shareholder-employee who is a "twenty (20) percent or greater" direct or indirect equity investor in a S corporation.

I hereby certify that the above information is true and complete. I further certify that at any time I change my status as a resident of______________________________, I will notify my employer of such fact within ten days from date of change.

Name of current state of residence________________________________________________________

Signature of employee________________________ Date________________________
INSTRUCTIONS
To Be Filed With Employer

To The Employee:

You are exempt from income taxes on wages or salaries earned in Kentucky if: (1) You have not been a resident of Kentucky during the taxable year and you reside in Illinois, Indiana, Michigan, West Virginia, or Wisconsin or (2) you reside in Virginia and commute daily to your place of employment in Kentucky or (3) you reside in Ohio and are not a shareholder-employee who is a "twenty (20) percent or greater" direct or indirect equity investor in a S corporation.

If you meet one of the above qualifications and are therefore exempt, your employer may cease withholding Kentucky income taxes. However, you must complete the front of this form and file it with your employer before he can stop withholding.

To The Employer:

Upon receipt of this form, properly completed, you are authorized to discontinue the withholding of Kentucky income tax from the wages of (1) an employee who resides in Illinois, Indiana, Michigan, West Virginia, or Wisconsin, and has not resided in Kentucky during the taxable year, or (2) an employee who resides in Virginia and commutes daily to his place of employment in Kentucky or (3) an employee who resides in Ohio and is not a shareholder-employee who is a "twenty (20) percent or greater" direct or indirect equity investor in a S corporation. The completed form is to be retained in your file. If the employee moves or otherwise changes his residence to a state other than those mentioned above, begin withholding Kentucky income tax, as required by KRS 141.310, with the first payroll period ending after you receive notice of status change from the employee.
**NONRESIDENT MILITARY SPOUSE Withholding Tax Exemption Certificate**

**Part I—To be completed by the employee**

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Employee Social Security Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Servicemember's Name</td>
<td>Military Servicemember's Social Security Number</td>
</tr>
</tbody>
</table>

Address where both currently reside

<table>
<thead>
<tr>
<th>Street</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
</table>

Form K-4M is to be used only for employees claiming exemption from Kentucky's income tax withholding requirements because they meet the conditions set forth under the Servicemembers Civil Relief Act, as amended by the Military Spouses Residency Relief Act (P.L. 111–97).

In order to qualify the employee must complete this form in full, certify that the employee is not subject to Kentucky withholding tax because the employee meets the conditions set forth below, and provide a copy of the employee's military spouse picture ID issued to the employee by the Department of Defense.

1. My spouse is a military servicemember. (check one) □ YES □ NO
2. I am NOT a military servicemember. (check one) □ YES □ NO
3. My military servicemember spouse has a current military order assigning him or her to a military location in Kentucky. (check one) □ YES □ NO
4. I and my military servicemember spouse live at the same address. (check one) □ YES □ NO
5. My domicile is a state other than Kentucky. (check one) □ YES □ NO
   If yes, enter the 2-letter state code of your state.
6. My military servicemember spouse's domicile is the same as mine. (check one) □ YES □ NO
7. I am present in Kentucky solely to be with my military servicemember spouse. (check one) □ YES □ NO

If you checked "YES" to all the statements above, your earned income is exempt from Kentucky withholding tax.

☐ Start Military Spouse Exemption. If you answered "YES" to ALL of the above statements, check the box and note the start date here ____________________________

☐ Terminate Military Spouse Exemption. If the answer to any of the statements above changes to "NO" Kentucky tax must be withheld. Check the box and enter the termination date here ____________________________

Under penalties of perjury, I certify that I am not subject to Kentucky withholding tax because I meet the conditions set forth under the Servicemembers Civil Relief Act, as amended by the Military Spouses Residency Relief Act (P.L. 111–97). I understand that my state of residency may tax the income I earn in Kentucky.

Employee's Signature ____________________________ Date ____________________________

**Part II—To be completed by the employer**

Note: An employer shall be held harmless from liability for withholding based on the employee's representations on this form.

<table>
<thead>
<tr>
<th>Employer Name</th>
<th>Employer Identification number (EIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>City</td>
</tr>
</tbody>
</table>

> See "Employer Requirements" for the proper handling of this form.
INSTRUCTIONS

EMPLOYEE REQUIREMENTS

Under the Military Spouses Residency Relief Act, Public Law 111–97, the spouse of an armed forces member is exempt from Kentucky income tax when:

a. The employee’s spouse is a military servicemember;
b. The employee is NOT a military servicemember;
c. The military servicemember spouse has a current military order assigning him or her to a military location in Kentucky;
d. The employee and military servicemember reside at the same address;
e. The employee’s domicile is a state other than Kentucky;
f. The employee’s and military servicemember’s domicile is the same; and
g. The employee is present in Kentucky solely to be with the military servicemember spouse.

If all of the above conditions are met, the employee is exempt from Kentucky withholding tax.

The Nonresident Military Spouse Exemption, Form K–4M, must be completed by the employee and the employee must present the employee’s military spouse picture ID to the employer for verification and photocopying.

When the withholding exemption takes effect

Form K–4M takes effect on the later of (1) the date you give it to your employer or (2) the first payroll period your employer is able to put the exemption into effect. The exemption does not apply to wages paid prior to the date Form K–4M takes effect.

Termination of the Military Spouse Exemption

The withholding tax exemption will no longer be valid if the answer to any of the statements changes to “NO”. If the exemption terminates, the employee must complete a Form K–4.

In general, the exemption termination date will be the earlier of:

- The day the military servicemember is no longer in the military;
- The day the employee enlists in the military;
- The day the employee and the military servicemember no longer live at the same address; or
- The day the military servicemember’s permanent duty station changes to a location outside of Kentucky.

EMPLOYER REQUIREMENTS

The employer is required to have a copy of this form and a copy of the military spouse picture ID on file for each employee who is claiming to be a nonresident of Kentucky because he/she is the spouse of a military servicemember and is in Kentucky due to the military orders of the spouse.

The employer is also required to submit this completed form and a copy of the military spouse picture ID, within 30 days of receipt, to the Kentucky Department of Revenue, P.O. Box 181, Station 57, Frankfort, Kentucky 40602–0181 or by fax to the Withholding Tax Section at (502) 564–3685.
# Employment Eligibility Verification

**Department of Homeland Security**

**U.S. Citizenship and Immigration Services**

**START HERE:** Read instructions carefully before completing this form. The instructions must be available, either in paper or electronically, during completion of this form. Employers are liable for errors in the completion of this form.

**ANTI-Discrimination Notice:** It is illegal to discriminate against work-authorized individuals. Employers CANNOT specify which document(s) an employee may present to establish employment authorization and identity. The refusal to hire or continue to employ an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

## Section 1: Employee Information and Attestation
(Emplowe must complete and sign Section 1 of Form I-9 on or before the first day of employment, but not before accepting a job offer.)

<table>
<thead>
<tr>
<th>Last Name (Family Name)</th>
<th>First Name (Given Name)</th>
<th>Middle Initial</th>
<th>Other Last Names Used (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address (Street Number and Name)</th>
<th>Apt. Number</th>
<th>City or Town</th>
<th>State</th>
<th>ZIP Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of Birth (mm/dd/yyyy)</th>
<th>U.S. Social Security Number</th>
<th>Employee’s E-mail Address</th>
<th>Employee’s Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following boxes):

1. A citizen of the United States
2. A noncitizen national of the United States (See Instructions)
3. A lawful permanent resident (Alien Registration Number/USCIS Number):
4. An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy):
   Some aliens may write "N/A" in the expiration date field. (See Instructions)

All aliens authorized to work must provide only one of the following document numbers to complete Form I-9:
1. Alien Registration Number/USCIS Number:
2. Form I-94 Admission Number:
3. Foreign Passport Number:

<table>
<thead>
<tr>
<th>Signature of Employee</th>
<th>Today’s Date (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Preparer and/or Translator Certification (check one):

1. I did not use a preparer or translator.
2. A preparer(s) and/or translator(s) assisted the employee in completing Section 1.
   (Fields below must be completed and signed when preparers and/or translators assist an employee in completing Section 1.)

I attest, under penalty of perjury, that I have assisted in the completion of Section 1 of this form and that to the best of my knowledge the information is true and correct.

<table>
<thead>
<tr>
<th>Signature of Preparer or Translator</th>
<th>Today’s Date (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Last Name (Family Name)</th>
<th>First Name (Given Name)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address (Street Number and Name)</th>
<th>City or Town</th>
<th>State</th>
<th>ZIP Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Section 2: Employer or Authorized Representative Review and Verification

(Employee or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. The employer must physically examine one document from List A OR a combination of one document from List B and one document from List C if listed with the date of issuance and expiration date of the (s) document(s) accepted in Document(s).)

<table>
<thead>
<tr>
<th>Employee Info from Section 1</th>
<th>List A</th>
<th>List B</th>
<th>AND</th>
<th>List C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Name (Family Name)</td>
<td>OR Document Title</td>
<td>Issuing Authority</td>
<td>Document Title</td>
<td>Employment Authorization</td>
</tr>
<tr>
<td>First Name (Given Name)</td>
<td>Document Title</td>
<td>Issuing Authority</td>
<td>Document Title</td>
<td>Employment Authorization</td>
</tr>
<tr>
<td>M.I.</td>
<td>Document Number</td>
<td>Document Number</td>
<td>Expired Date (mm/dd/yyyy)</td>
<td>Expired Date (mm/dd/yyyy)</td>
</tr>
<tr>
<td>Citizenship/Immigration Status</td>
<td>Expired Date (mm/dd/yyyy)</td>
<td>Expired Date (mm/dd/yyyy)</td>
<td>OR Code - Sections 1 &amp; 2 Do Not Write In This Space</td>
<td></td>
</tr>
</tbody>
</table>

**Additional Information**

**Certification:** I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment (mm/dd/yyyy): ________________

(See instructions for exemptions)

<table>
<thead>
<tr>
<th>Signature of Employer or Authorized Representative</th>
<th>Today's Date (mm/dd/yyyy)</th>
<th>Title of Employer or Authorized Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Name of Employer or Authorized Representative</td>
<td>First Name of Employer or Authorized Representative</td>
<td>Employer's Business or Organization Name</td>
</tr>
<tr>
<td>Employer's Business or Organization Address (Street Number and Name)</td>
<td>City or Town</td>
<td>State</td>
</tr>
</tbody>
</table>

### Section 3: Reverification and Rehires

(to be completed and signed by employer or authorized representative)

A. New Name (if applicable)  B. Date of Rehire (if applicable)

<table>
<thead>
<tr>
<th>Last Name (Family Name)</th>
<th>First Name (Given Name)</th>
<th>Middle Initial</th>
<th>Date (mm/dd/yyyy)</th>
</tr>
</thead>
</table>

C. If the employee's previous grant of employment authorization has expired, provide the information for the document or receipt that establishes continuing employment authorization in the space provided below.

<table>
<thead>
<tr>
<th>Document Title</th>
<th>Document Number</th>
<th>Expired Date (if any) (mm/dd/yyyy)</th>
</tr>
</thead>
</table>

I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

<table>
<thead>
<tr>
<th>Signature of Employer or Authorized Representative</th>
<th>Today's Date (mm/dd/yyyy)</th>
<th>Name of Employer or Authorized Representative</th>
</tr>
</thead>
</table>
# LISTS OF ACCEPTABLE DOCUMENTS

All documents must be UNEXPIRED

Employees may present one selection from List A or a combination of one selection from List B and one selection from List C.

<table>
<thead>
<tr>
<th>LIST A</th>
<th>LIST B</th>
<th>LIST C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents that Establish Both Identity and Employment Authorization</td>
<td>Documents that Establish Identity</td>
<td>Documents that Establish Employment Authorization</td>
</tr>
<tr>
<td>1. U.S. Passport or U.S. Passport Card</td>
<td>1. Driver's license or ID card issued by a State or outsizing possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address</td>
<td>1. A Social Security Account Number card, unless the card includes one of the following restrictions:</td>
</tr>
<tr>
<td>2. Permanent Resident Card or Alien Registration Receipt Card (Form I-551)</td>
<td>2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address</td>
<td>(1) NOT VALID FOR EMPLOYMENT</td>
</tr>
<tr>
<td>3. Foreign passport that contains a temporary I-551 stamp or temporary I-551 printed notation on a machine-readable immigrant visa</td>
<td>3. School ID card with a photograph</td>
<td>(2) VALID FOR WORK ONLY WITH INS AUTHORIZATION</td>
</tr>
<tr>
<td>4. Employment Authorization Document that contains a photograph (Form I-766)</td>
<td>4. Voter's registration card</td>
<td>(3) VALID FOR WORK ONLY WITH DHS AUTHORIZATION</td>
</tr>
<tr>
<td>5. For a nonimmigrant alien authorized to work for a specific employer because of his or her status: a. Foreign passport; and</td>
<td>5. U.S. Military card or draft record</td>
<td>2. Certification of Birth Abroad issued by the Department of State (Form FS-545)</td>
</tr>
<tr>
<td>b. Form I-94 or Form I-94A that has the following: (1) The same name as the passport and (2) An endorsement of the alien's nonimmigrant status as long as that period of endorsement has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified on the form.</td>
<td>6. Military dependent's ID card</td>
<td>3. Certification of Report of Birth issued by the Department of State (Form DS-1350)</td>
</tr>
<tr>
<td>6. Passport from the Federated States of Micronesia (FSM) or the Republic of the Marshall Islands (RMI) with Form I-94 or Form I-94A indicating nonimmigrant admission under the Compact of Free Association Between the United States and the FSM or RMI</td>
<td>7. U.S. Coast Guard Merchant Mariner Card</td>
<td>4. Original or certified copy of birth certificate issued by a State, county, municipal authority, or territory of the United States bearing an official seal</td>
</tr>
<tr>
<td></td>
<td>9. Driver's license issued by a Canadian government authority</td>
<td>6. U.S. Citizen ID Card (Form I-197)</td>
</tr>
<tr>
<td></td>
<td>For persons under age 18 who are unable to present a document listed above:</td>
<td>7. Identification Card for Use of Resident Citizen In the United States (Form I-179)</td>
</tr>
<tr>
<td></td>
<td>10. School record or report card</td>
<td>8. Employment authorization document issued by the Department of Homeland Security</td>
</tr>
<tr>
<td></td>
<td>11. Clinic, doctor, or hospital record</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12. Day-care or nursery school record</td>
<td></td>
</tr>
</tbody>
</table>

Examples of many of these documents appear in Part 8 of the Handbook for Employers (M-274).

Refer to the instructions for more information about acceptable receipts.
Caution: DRAFT—NOT FOR FILING

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information as a courtesy. **Do not file draft forms.** Also, do not rely on draft forms, instructions, and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released. Drafts of instructions and publications usually have at least some changes before being officially released.

Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/draftforms), and may remain there even after the final release is posted at [IRS.gov/DownloadForms](https://www.irs.gov/downloadforms). All information about all forms, instructions, and pubs is at [IRS.gov/Forms](https://www.irs.gov/forms).

Almost every form and publication also has its own page on IRS.gov. For example, the Form 1040 page is at [IRS.gov/Form1040](https://www.irs.gov/form1040); the Publication 17 page is at [IRS.gov/Pub17](https://www.irs.gov/pub17); the Form W-4 page is at [IRS.gov/W4](https://www.irs.gov/w4); and the Schedule A (Form 1040) page is at [IRS.gov/ScheduleA](https://www.irs.gov/schedulea). If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not in a Search box. Note that these are friendly shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications at [IRS.gov/FormsComments](https://www.irs.gov/formscomments). We cannot respond to all comments due to the high volume we receive. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.
Form W-4 (2018)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2018 expires February 15, 2019. See Pub. 15, Table Whiting and Estimated Tax.

Notes: If another person can claim you as a dependent, file Form 8850, Dependent Care Tax Credit. In cases where you are a dependent, you cannot claim an exemption from withholding. See Pub. 15, Table Whiting and Estimated Tax.

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee is:

• is age 65 or older,
• is blind, or
• Will claim certain dependent exemptions or itemized deductions on his or her tax return.

The exceptions don't apply to supplemental wages greater than $1,000.00.

Basic Instructions. If you aren't exempt, complete the Personal Allowances Worksheet below. The worksheets on page 2 figure out your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earner/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowable deductions. For regular wages, withholding must be based on allowable deductions and may not be a flat amount or percentage of wages.

Head of household generally, you can claim an allowance for the child or other qualifying individual on your tax return only if you are unmarried and pay more than half the cost of keeping up your home for yourself or dependent child or other qualifying individual. See Pub. 15, Table Whiting and Estimated Tax.

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee is:

• is age 65 or older,
• is blind, or
• Will claim certain dependent exemptions or itemized deductions on his or her tax return.

Personal Allowances Worksheet (Keep for your records.)

- Enter "1" for yourself if one or more claim you as a dependent
  - You're single and have no children
  - You're married, here only one job, and your spouse doesn't work
  - Your total wages from your job or your spouse's job are less than $100,000

- Enter "2" for your spouse. But, you may choose to enter "0" if you are married and have either a working spouse or more than one job. Entering "0" may help avoid having too little tax withheld.

- Enter number of dependents (other than your spouse or yourself) you will claim on your tax return.

- Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above)

- Enter "1" if you have at least $X,XXX in dependent care expenses for which you plan to claim a credit

(Notes: Do not include child support payments. See Pub. 505, Child and Dependent Care Expenses, for details.)

Child Tax Credit (Including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.

- If your total income will be less than $X,XXX ($XXX,XXX if married), enter "2" for each eligible child; then less "1" if you have two or four eligible children or less "2" if you have five or more eligible children.

- If your total income will be between $XX,XXX and $XX,XXX ($XXX,XXX and $XXX,XXX if married), enter "1" for each eligible child

Add lines A through G and enter total here. (Note: this may be different from the number of exemptions you claim on your tax return.)

For accuracy, complete all worksheets that apply.

- If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2.

- If you are single and have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed $XXX,XXX ($XXX,XXX if married), see the Two-Earner/Multiple Jobs Worksheet on page 2 to avoid having too little tax withheld.

- If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Employee's Withholding Allowance Certificate

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0074

Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.

1 Your first name and middle initial
2 Your social security number

Home address (number and street or rural route)
City or town, state, and ZIP code

3 □ Single □ Married □ Married, but withheld at higher Single rate.
   (Note: if married, but legally separated, or spouse is a nonresident alien, check the "Single" box.)

4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card.

5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)

6 Additional amount, if any, you want withheld from each paycheck

7 I claim exemption from withholding for 2018, and I certify that I meet both of the following conditions for exemption.
   □ Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and
   □ This year I expect a refund of all federal income tax withheld because I expect to have no tax liability.

If you meet both conditions, write "Exempt here.

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature

Date

9 Office code (optional)
10 Employer identification number (EIN)

Form W-4 (2018)

Cat. No. 10220Q

For Privacy Act and Paperwork Reduction Act Notice, see page 2.
### Deductions and Adjustments Worksheet

**Note:** Use this worksheet only if you plan to itemize deductions or claim certain credits or adjustments to income.

1. Enter an estimate of your 2018 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 10% of your income, and miscellaneous deductions. For 2018, you may have to reduce your itemized deductions if your income is over $100,000 and you're married filing jointly or you're a qualifying widow(er); $150,000 if you're head of household; or $120,000 if you're married filing separately. See Pub. 505 for details.

   - $1 $1

2. Enter:
   - $1 XXXX if married filing jointly or qualifying widow(er)
   - $2 XXXX if head of household
   - $2 XXXX if married filing separately

3. Subtract line 1 from line 2. Enter “-0-” if zero. Enter “0-” if negative.

   - $3 $3

4. Enter an estimate of your 2018 adjustments to income and any additional standard deduction (see Pub. 505).

   - $4 $4

5. Add lines 3 and 4 and enter the total. (Include any amount for credits from the Converting Credits to Withholding Allowances for 2018 Form W-4 worksheet in Pub. 505).

   - $5 $5

6. Enter an estimate of your 2018 non-wage income (such as dividends or interest).

   - $6 $6

7. Subtract line 6 from line 5. If zero, enter “0-”.

   - $7 $7

8. Divide the amount on line 7 by $10 and enter the result here. Drop any fraction.

   - $8 $8

9. Enter the number from the Personal Allowances Worksheet, line H, page 1.

   - $9 $9

10. Add lines 8 and enter the total here. If you plan to use either the Two-Earners/Multiple Jobs Worksheet, enter also this total on line 10 below. Otherwise, stop here and enter this total on Form W-4, line 5.

### Two-Earners/Multiple Jobs Worksheet (See Two earner or multiple jobs on page 1.)

**Note:** Use this worksheet only if the instructions under line H, page 1 direct you here.

1. Enter the number from line H, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet).

   - $1 $1

2. Find the number in Table 1 below that applies to the LOWEST paying job and enter it here. However, if you are married filing jointly and wages from the highest paying job are $100,000 or less, do not enter more than “3”.

   - $2 $2

3. If line 1 is more than or equal to line 2, subtract line 2 from line 1. Enter the result here (if zero, enter “-0-” and on Form W-4, line 5, page 1. Do not use the rest of this worksheet.

   - $3 $3

**Note:** If line 1 is less than line 2, enter “-0-” on Form W-4, line 5, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

4. Enter the number from line 2 of this worksheet.

   - $4 $4

5. Enter the number from line 1 of this worksheet.

   - $5 $5

6. Subtract line 5 from line 4.

   - $6 $6

7. Find the amount in Table 2 below that applies to the HIGHEST paying job and enter it here.

   - $7 $7

8. Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed.

   - $8 $8

9. Divide line 8 by the number of pay periods remaining in 2018. For example, divide by 25 if you are paid every two weeks and you complete this form on a date in January when there are 26 pay periods remaining in 2018. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck.

   - $9 $9

### Table 1

<table>
<thead>
<tr>
<th>Married Filing Jointly</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>If wages from LOWEST paying job are—</td>
<td>Enter on line 2 above</td>
</tr>
<tr>
<td>$X -</td>
<td>$XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>1</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>2</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>3</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>4</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>5</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>6</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>7</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>8</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>9</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>10</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>11</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>12</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>13</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>14</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>15</td>
</tr>
</tbody>
</table>

### Table 2

<table>
<thead>
<tr>
<th>Married Filing Jointly</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>If wages from HIGHEST paying job are—</td>
<td>Enter on line 7 above</td>
</tr>
<tr>
<td>$X - $XXXX</td>
<td>$XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX and over</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
<tr>
<td>XXXX - XXXX</td>
<td>XXXX</td>
</tr>
</tbody>
</table>

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 6030, 6032, 6041, 6055, and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in you being treated as a single person who claims no withholding allowances; providing redundant information may subject you to penalties. Routine use of this information includes giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and U.S. sovereignties and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. You may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal narcotic criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.
Sample Senior Warden Description
The Episcopal Diocese of Kentucky
Sample Senior Warden Job Description
Congregational Leadership Conference

QUALIFICATIONS AND GIFTS:
- Have a love of God and demonstrate a commitment to following the way of Christ. Being an active minister of the Gospel in daily life and work.
- Be active in and knowledgeable about the congregation, its programs and governance. Pledging financially to support the ministry of the church. Bringing one’s whole self to the table; being present—mind, body, spirit.
- Be known as someone who is fair, interacts well with people and is respected by members of the congregation.
- Have respect and, preferably, affection for the rector.
- Have an ability to “check one’s ego at the door,” to be a servant of the people without a need to be the “most important person” in the congregation or to be the one with the right answers to everything.
- Have an enthusiasm and vitality for this vocation.
- Risking openness with one’s ideas, belief and desires.

TIME COMMITMENT:
♦ Vestry meetings.
♦ Vestry retreat (if applicable).
♦ Weekly worship services (rotating occasionally if more than one).
♦ Parish events: coffee hours, meals, fundraisers, adult education programs, etc.
♦ Weekly meetings with the rector (Junior Warden and other staff), if required.
♦ Diocesan meetings, as necessary.
♦ Annual Meeting.
♦ Consistent communications and coordination regarding church business with the vestry.

RESPONSIBILITIES:
♦ Meet regularly with the rector to review the life and work of the congregation, plan ahead, anticipate and resolve problems.
♦ Provide leadership in the vestry to identify the vision, mission and goals of the congregation, make and implement plans, assess progress and celebrate achievements.
♦ Provide leadership in the congregation by demonstrating a consistent positive attitude that seeks to solve problems and learn from mistakes; recognizes accomplishments and gives thanks for those things that build community and further the mission of the church.
♦ Pray regularly for the rector, leaders and members of the congregation.
♦ Be available to discuss any and all concerns with the rector; maintain confidentiality where appropriate.
♦ Be available to discuss any and all concerns with members of the congregation; avoid making hasty judgments, encourage complainants to speak to those involved, discuss problems with the rector.

Embracing Christ, Engaging the World
In cases where the rector, staff or vestry is beleaguered or unfairly criticized, foster understanding and reconciliation, distribute accurate information, etc.

Ensure that policies and procedures regarding employee and volunteer misconduct are in place and enforced; take any questions, complaints and concerns to the rector and/or appropriate authorities immediately.

Take action to intervene promptly (with others as appropriate) in the event that the rector is charged with misconduct, has problems with drugs or alcohol or is acting inappropriately; speak with the rector and the bishop as necessary and appropriate.

Support the rector in taking action when employees or volunteers are charged with misconduct or inappropriate behavior.

In cases where conflict imperils the pastoral relationship between the rector and congregation, the rector or a majority vote of the vestry may ask the bishop, in writing, to intervene; the senior warden traditionally makes this petition on behalf of the vestry.

In cases where the rector is overworked, disregarding his or her health and well being, and that of the family, encourage the rector to take corrective steps, solicit the vestry's support in reducing workload, adding staff, funding a sabbatical, etc as appropriate.

Assist in identifying persons for leadership roles; may also participate in inviting them to serve in those roles.

Be prepared to assist the rector or to step in and do what is necessary (make an announcement, turn up the heat, write a letter, etc.)

With the rector, announce the bishop's pending visit and prepare a report on the spiritual and temporal state of the congregation to be discussed with the bishop during the bishop's visitation (Canon III. 14.1. e)

IN THE ABSENCE OF A RECTOR:

If the congregation's rector leaves, notify the bishop promptly and make provisions for worship services (Canon III. 17.1)

If the congregation is without a rector, lead the congregation, ensuring that the worship services, program and pastoral care needs of the congregation are met, that the selection process for a new rector is established, that employee relations and communications with the diocese are maintained.

Prepare a Letter of Agreement with the proposed new rector.

Ensure that the name of the person proposed to be called as rector is submitted to the bishop thirty days before the election is to be held; deliver written notice of the election of a rector to the bishop (Canon III.17.2 and 3).

Accountability: A covenant in which both the rector and warden agree on the roles and responsibilities of the warden is developed in conversation with the vestry. A yearly mutual ministry assessment process should be established for the warden along with the rector, vestry members and other leaders.

ADDITIONAL RESPONSIBILITIES:
These responsibilities may apply in some congregations. Often they are more applicable in smaller congregations, especially those without full-time clergy. In cases where the clergy primarily provide Sunday services and pastoral care, the wardens may provide the primary leadership in the congregation. There are also congregations where there is a tradition of the senior warden providing more leadership or clergy who desire a more shared ministry and thus choose to ask the senior warden to take on some of the leadership roles traditionally or canonically assigned to the clergy.

Embracing Christ, Engaging the World
♦ Conduct the vestry meeting in the absence of, or when delegated by, the rector or priest-in-charge. While the canons designate the rector as the one to preside at meetings of the vestry, he or she may delegate this responsibility.
♦ Make the Sunday morning announcements.
♦ Visit anyone known to have a major problem with a program, vestry decision, clergy, etc, (in consultation with and usually accompanied by the rector).

SAMPLE AGENDA FOR MEETING OF WARDEN(S) AND RECTOR

Monthly
1. Review last vestry meeting: what happened; where is follow up needed?
2. Discuss agenda for next vestry meeting: what role can the warden take to be helpful?
3. Review parish staff: are there issues that need to be dealt with that warden can be helpful?
4. Review vestry committee progress: do one or more committees need some guidance or support from the warden?
5. Review parish organization: are they well functioning, or are there matters in which the warden can be helpful?

Annually
1. Review wardens’ and rector's work during the past year and ask what areas need further attention.
2. Work with the rector and parish leadership to set goals for the coming year for the rector, staff, warden(s), and vestry.
3. Revisit the overall mission of the church as well as challenges and opportunities and the parish's mission statements.

RESOURCES:
These samples are based off of materials presented in the follow resource books. Purchasing a copy of each for your parish or each member of your vestry is highly recommended.

The Vestry Resources Guide. The Episcopal Church Foundation, 2012.

Webber, Christopher. The Vestry Resource Guide. Morehouse, 2000
Parish Financial Review
MEMORANDUM

To: Parish Clergy
Parish Vestry/Bishop's Committee
Parish Internal Financial Review Committee Chair

From: H. Gibbs Reese
Chair, Diocesan Financial Review (Audit) Committee

Date: February 1, 2019


The continually improving financial review process initiated in April of 2017 continues to be well received while simultaneously saving both physical and monetary resources within your respective parish. However, while structuring the preparation and submission process to be much easier, again more than 50% of the reporting units failed to submit the required materials within the stated September 1st deadline. This same procedure remains unchanged for the 2018 calendar year submission. Our committee is charged with review and subsequent acceptance of each of the 35 (+/-) parish submissions. We have approximately one month to complete and accept all reviews prior to the convening of the annual Diocesan Convention.

In summary, there are seven (7) documents that are required of you to complete the Financial Review. Each is listed below with relative footnote(s). Further, examples of each are attached hereto as well as being available on the Diocesan website via Episcopal Diocese of Kentucky (episcopalky.org) - TAB: Church Administration - TAB: Financial Review Guidelines.

1. Parochial Report, pages 3 and 6 for the 2018 calendar year.
   - Based on the Canonical requirements, these same two documents are to be submitted to the Diocesan offices by March 1st. We are simply asking that you make another copy of same, review the statistics therein and include these as part of your materials.

2. Balance Sheet
   - This financial data/calculation should have been necessary for you to properly complete page 6 of the Parochial Report.

3. Income and Expense Statement
   - This financial data/calculation should have been necessary for you to properly complete page 3 of the Parochial Report.

4. Property and Liability Insurance – Declaration page(s) only.
   - May be available from your insurance carrier(s).

5. Internal Control Questionnaire
   - Complete responses including comments and notations as appropriate.

   - Complete requested responses, identify Parish Internal Financial Review Committee members and include respective signatures.

7. Internal Financial Review Committee Certificate
   - Complete requested responses, identify Parish Internal Financial Review Committee members and include respective signatures.

Embracing Christ, Engaging the World
Parish Financial Review Procedures
February 1, 2019
Page 2

As a congregation, **sequentially your financial review requirements are as follows:**

1. Vestry/Bishop's Committee should select your own Internal Financial Review Committee. This Committee should be a minimum of 3 individuals not related by blood or marriage to any check signers.

2. Conduct your individual financial review of the following documents in order to prepare for and subsequently complete the previously stated required documents submission
   - Bank statements and reconciliations of all accounts, i.e. checking, savings, investments and discretionary funds.
   - Balance sheets and Income/Expense statements for both operating and discretionary accounts. (Financial Reports)
   - Internal Controls Questionnaire.
   - Vestry or Bishop's Committee Minutes relating to financial matters.
   - All cash receipts and cash disbursements along with supporting documentation including authorized signatures, payroll, vouchers, pledge and plate offerings, contracts, etc.
   - Listing of all active insurance policies with corresponding coverage value(s).


4. Vestry/Bishop's Committee accepts the Internal Financial Review Committee's reports. Any challenges and/or modifications to the submitted documents must be done in writing and included with the submission to the Diocese of Kentucky's Financial Review (Audit) Committee.

5. Vestry/Bishop's Committee submits one copy of each of the seven (7) aforementioned documents to the Diocese of Kentucky 1) via mail ATTN: - Financial Review Committee, 2) via facsimile (502-587-8123) or 3) electronically (Brian@episcopalky.org) before September 1st.

On behalf of our entire committee, we thank you for your cooperation and participation in submitting these materials in a timely manner. We have tried diligently to simplify and streamline this process. Should you have any questions regarding this process please feel free to contact Vicky Kaeser or me.

Respectfully submitted,

H. Gibbs Reese
Chair, Financial Review (Audit) Committee

2019AuditProcedures.02.01.19
# Stewardship and Financial Information of the Reporting Congregation

## Giving Information for 2014:

<table>
<thead>
<tr>
<th>Number of Pledges</th>
<th>Number of signed pledge cards for 2014-report year</th>
<th>1</th>
<th>93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total $ Pledged</td>
<td>Total dollar amount pledged for 2014-report year</td>
<td>2</td>
<td>$278,544</td>
</tr>
</tbody>
</table>

## Report of Revenues and Expenses for 2014:

### Operating Revenues:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Plate offerings, pledge payments &amp; regular support</td>
<td>$302,403</td>
</tr>
<tr>
<td>4. Money from investments used for operations in 2014</td>
<td>$32,002</td>
</tr>
<tr>
<td>5. Other operating income, including unrestricted gifts &amp; restricted gifts used for operations, &amp; contributions from congregation's organizations</td>
<td>$37,564</td>
</tr>
<tr>
<td>6. Unrestricted bequests used for operations</td>
<td>$0</td>
</tr>
<tr>
<td>7. Assistance from diocese for operating budget</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Non-Operating Revenues:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Funds received for capital projects</td>
<td>$85,267</td>
</tr>
<tr>
<td>9. Additions to endowment, &amp; other investment funds</td>
<td>$0</td>
</tr>
<tr>
<td>10. Contributions &amp; grants for congregation-based outreach &amp; mission programs</td>
<td>$0</td>
</tr>
<tr>
<td>11. Funds for transmittal to other organizations</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Operating Expenses:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. To diocesan assessment, apportionment, or fair share</td>
<td>$65,850</td>
</tr>
<tr>
<td>13. Outreach from operating budget</td>
<td>$1,500</td>
</tr>
<tr>
<td>14. All other operating expenses</td>
<td>$354,375</td>
</tr>
</tbody>
</table>

### Non-Operating Expenses:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>15. Major improvements &amp; capital expenditures</td>
<td>$18,029</td>
</tr>
<tr>
<td>16. Expense for congregation's outreach &amp; mission</td>
<td>$0</td>
</tr>
<tr>
<td>17. Funds contributed to Episcopal seminaries</td>
<td>$1,000</td>
</tr>
<tr>
<td>18. Funds transmitted to other organizations</td>
<td>$5,200</td>
</tr>
</tbody>
</table>

### At Year-End:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. Total cash in all checking &amp; passbook savings accounts</td>
<td>$46,328</td>
</tr>
<tr>
<td>20. Total investment at market value (not including cash reported in line 19)</td>
<td>$1,171,792</td>
</tr>
</tbody>
</table>
### Part II: Report of Congregation's Assets, Liabilities and Insurance

For the year ending December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Assets</th>
<th>Restricted Assets</th>
<th>Other Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating Accounts</td>
<td>Congregation's Organizations</td>
<td>Other Funds</td>
</tr>
</tbody>
</table>

#### Assets

18. Petty Cash
19. Checking Accounts $35,466
20. Savings Accounts
21. Short Term Investments
22. Accounts Receivable
23. Temp Loans from Other
24. Deferred Expenses
25. Long Term Inv. at MV
26. Land  
27. Buildings 
28. Furniture and Equipment 
29. Depreciation

**I. Total Assets** (add 18-28 minus 29)

<table>
<thead>
<tr>
<th></th>
<th>35,516</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>35,466</td>
</tr>
<tr>
<td>20.</td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td></td>
</tr>
<tr>
<td>23.</td>
<td></td>
</tr>
<tr>
<td>24.</td>
<td></td>
</tr>
<tr>
<td>25.</td>
<td></td>
</tr>
<tr>
<td>26.</td>
<td></td>
</tr>
<tr>
<td>27.</td>
<td></td>
</tr>
<tr>
<td>28.</td>
<td></td>
</tr>
<tr>
<td>29.</td>
<td></td>
</tr>
</tbody>
</table>

#### Liabilities

30. Accounts Payable
31. Payroll Taxes Payable
32. Temp Loans to Other
33. Deferred Income
34. Long Term Debt

**J. Total Liabilities** (add 30-34)

<table>
<thead>
<tr>
<th></th>
<th>947</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.</td>
<td></td>
</tr>
<tr>
<td>31.</td>
<td>947</td>
</tr>
<tr>
<td>32.</td>
<td></td>
</tr>
<tr>
<td>33.</td>
<td></td>
</tr>
<tr>
<td>34.</td>
<td></td>
</tr>
</tbody>
</table>

**K. Net Assets** (I. minus J.)

<table>
<thead>
<tr>
<th></th>
<th>34,569</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.</td>
<td></td>
</tr>
<tr>
<td>36.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Insurance Category</th>
<th>Name of Primary Ins Carrier (Canon L.6.1(3))</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Buildings(s)</td>
<td>Church Insurance of Vermont</td>
<td>$1,528,000</td>
</tr>
<tr>
<td>b. Contents of Building(s)</td>
<td></td>
<td>$2,120,000</td>
</tr>
<tr>
<td>c. Bonding</td>
<td></td>
<td>$50,000</td>
</tr>
<tr>
<td>d. Worker's Compensation</td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Audit:** Name of Firm/Auditor/Authorized Audit Committee

**Sched Audit Date (Canon L.7):**

**Internal Audit Committee**  
July, 2014
### ASSETS

**Current Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking/Savings</td>
<td>681,65</td>
</tr>
<tr>
<td>Wilson &amp; Muir - Discretionary</td>
<td>45,489.35</td>
</tr>
<tr>
<td>Wilson &amp; Muir Bank</td>
<td>39,488.29</td>
</tr>
<tr>
<td>Wilson &amp; Muir Bank Capital Acct</td>
<td></td>
</tr>
<tr>
<td><strong>Total Checking/Savings</strong></td>
<td>65,644.29</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td></td>
</tr>
<tr>
<td>Cash of Dep.</td>
<td>15,301.85</td>
</tr>
<tr>
<td>Cert of Deposit</td>
<td>10,504.90</td>
</tr>
<tr>
<td><strong>Total Other Current Assets</strong></td>
<td>25,806.75</td>
</tr>
</tbody>
</table>

**Total Current Assets**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>111,451.04</td>
</tr>
</tbody>
</table>

**Fixed Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Equipment</td>
<td>28,269.99</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>28,269.99</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>137,721.03</td>
</tr>
</tbody>
</table>

### LIABILITIES & EQUITY

**Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>-10.98</td>
</tr>
<tr>
<td>Accounts Payable - Total</td>
<td>-10.98</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td></td>
</tr>
<tr>
<td>Ky Withholding Payable</td>
<td>231.69</td>
</tr>
<tr>
<td>Occupational Tax Payable</td>
<td>21.84</td>
</tr>
<tr>
<td>Payroll Liabilities</td>
<td>674.74</td>
</tr>
<tr>
<td><strong>Total Other Current Liabilities</strong></td>
<td>958.27</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>947.29</td>
</tr>
</tbody>
</table>

**Total Liabilities**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>947.29</td>
</tr>
</tbody>
</table>

**Equity**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorials - Other</td>
<td>575.00</td>
</tr>
<tr>
<td>Other</td>
<td>1,085.00</td>
</tr>
<tr>
<td><strong>Total Memorials</strong></td>
<td>2,660.00</td>
</tr>
</tbody>
</table>

**Opening Balance Equity**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>123,072.30</td>
</tr>
</tbody>
</table>

**Restricted Net Contributions**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christmas Outreach</td>
<td>48.34</td>
</tr>
<tr>
<td>Community Outreach</td>
<td>83.77</td>
</tr>
<tr>
<td>Cookbooks</td>
<td>220.00</td>
</tr>
<tr>
<td>Flower Fund</td>
<td>684.75</td>
</tr>
<tr>
<td>Organ Maintenance</td>
<td>819.48</td>
</tr>
<tr>
<td>Playroom Flooring</td>
<td>500.00</td>
</tr>
<tr>
<td>Restricted Gifts</td>
<td>730.71</td>
</tr>
<tr>
<td>Room at the Inn</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Total Restricted Net Contributions</strong></td>
<td>3,184.45</td>
</tr>
</tbody>
</table>

**Unrestricted Net Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vicar's Discretionary Fund</td>
<td>1,537.60</td>
</tr>
<tr>
<td>Net Income</td>
<td>10,344.83</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>136,773.74</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES & EQUITY**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>137,721.03</td>
</tr>
<tr>
<td>Income</td>
</tr>
<tr>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>1015 - Mission-Community Projects(Inc)</td>
</tr>
<tr>
<td>1015A - Evensong</td>
</tr>
<tr>
<td><strong>Total 1015 - Mission-Community Projects(Inc)</strong></td>
</tr>
<tr>
<td>1002 - Non-Pledge Offering</td>
</tr>
<tr>
<td>1003 - Plate Offering</td>
</tr>
<tr>
<td>1004 - Pledge Offering</td>
</tr>
<tr>
<td>1006 - Checking Acct Interest</td>
</tr>
<tr>
<td>1009 - Altar Donations</td>
</tr>
<tr>
<td>1012 - Other Income - Misc</td>
</tr>
<tr>
<td>1012G - Fundraisers</td>
</tr>
<tr>
<td>1012 - Other Income - Misc - Other</td>
</tr>
<tr>
<td><strong>Total 1012 - Other Income - Misc</strong></td>
</tr>
<tr>
<td>1024 - Rectors Discretionary FD</td>
</tr>
<tr>
<td>1000 - Music Support Offering</td>
</tr>
<tr>
<td>4008 - Restricted-Special Offerings</td>
</tr>
<tr>
<td>4008D - All Saints Scholarships</td>
</tr>
<tr>
<td>4008B - All Saints Offering</td>
</tr>
<tr>
<td>4008A - Bishops Discretionary Fund</td>
</tr>
<tr>
<td>4008 - Restricted-Special Offerings - Other</td>
</tr>
<tr>
<td><strong>Total 4008 - Restricted-Special Offerings</strong></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 - Stewardship Campaign</td>
<td>63.98</td>
</tr>
<tr>
<td>2016 - Building/Equipment/Finishing</td>
<td>10,666.25</td>
</tr>
<tr>
<td>2010 - Mission-Community Projects(Exp)</td>
<td></td>
</tr>
<tr>
<td>2010A - Evensong</td>
<td>572.54</td>
</tr>
<tr>
<td>2010 - Mission-Community Projects(Exp) - Other</td>
<td>140.00</td>
</tr>
<tr>
<td><strong>Total 2010 - Mission-Community Projects(Exp)</strong></td>
<td><strong>712.84</strong></td>
</tr>
<tr>
<td>2000 - Altar Expense</td>
<td></td>
</tr>
<tr>
<td>2000A - Altar Finances</td>
<td>340.00</td>
</tr>
<tr>
<td>2000B - Altar Expense - General</td>
<td>292.31</td>
</tr>
<tr>
<td><strong>Total 2000 - Altar Expense</strong></td>
<td><strong>632.31</strong></td>
</tr>
<tr>
<td>2001 - Christian Education Expense</td>
<td></td>
</tr>
<tr>
<td>2001A - Camp Scholarships</td>
<td>2,099.00</td>
</tr>
<tr>
<td>2001B - Christian Education Expense-Gen</td>
<td>212.46</td>
</tr>
<tr>
<td>2001 - Christian Education Expense - Other</td>
<td>51.00</td>
</tr>
<tr>
<td><strong>Total 2001 - Christian Education Expense</strong></td>
<td><strong>2,362.46</strong></td>
</tr>
<tr>
<td>2002 - Church Insurance</td>
<td>2,917.36</td>
</tr>
<tr>
<td>2003 - Clergy</td>
<td></td>
</tr>
<tr>
<td>2003A - Salary</td>
<td>0.00</td>
</tr>
<tr>
<td>2003B - Travel</td>
<td>451.65</td>
</tr>
<tr>
<td><strong>Total 2003 - Clergy</strong></td>
<td><strong>451.65</strong></td>
</tr>
<tr>
<td>2013 - Diocesan Apportionment</td>
<td>5,359.17</td>
</tr>
<tr>
<td>2014 - General Supplies - Non Office</td>
<td>46.39</td>
</tr>
<tr>
<td>2016 - Maintenance Expense</td>
<td></td>
</tr>
<tr>
<td>2016A - Maintenance Supplies</td>
<td>31.79</td>
</tr>
<tr>
<td>2016G - Mowing</td>
<td>1,080.00</td>
</tr>
<tr>
<td>2015 - Maintenance Expense - Other</td>
<td>75.00</td>
</tr>
<tr>
<td><strong>Total 2015 - Maintenance Expense</strong></td>
<td><strong>1,183.79</strong></td>
</tr>
<tr>
<td>2019 - Miscellaneous Expense</td>
<td></td>
</tr>
<tr>
<td>2020 - Office Exp</td>
<td></td>
</tr>
<tr>
<td>2020A - Phone</td>
<td>382.64</td>
</tr>
<tr>
<td>2020B - Internet Service</td>
<td>550.00</td>
</tr>
<tr>
<td>2020C - Office Supplies/Expense</td>
<td>511.75</td>
</tr>
<tr>
<td>2020 - Office Exp - Other</td>
<td>44.98</td>
</tr>
<tr>
<td><strong>Total 2020 - Office Exp</strong></td>
<td><strong>1,493.37</strong></td>
</tr>
</tbody>
</table>
# Profit & Loss

## January through December 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Jan - Dec 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024 • Organist 2024A • Salary</td>
<td>6,125.00</td>
</tr>
<tr>
<td><strong>Total 2024 • Organist</strong></td>
<td>5,125.00</td>
</tr>
<tr>
<td>2028 • Utilities 2028A • LG&amp;E (Electric &amp; Gas)</td>
<td>2,884.43</td>
</tr>
<tr>
<td>2028B • Water &amp; Sewer</td>
<td>321.90</td>
</tr>
<tr>
<td><strong>Total 2028 • Utilities</strong></td>
<td>3,186.33</td>
</tr>
<tr>
<td>2031 • Supply Clergy (Visiting Vicar) 2031A • Travel-Supply Clergy 2031B • Honorarium-Supply Clergy</td>
<td>2,114.64 4,626.00</td>
</tr>
<tr>
<td><strong>Total 2031 • Supply Clergy (Visiting Vicar)</strong></td>
<td>6,738.64</td>
</tr>
<tr>
<td>2080 • Music Support(Exp) 2080A • Music Support-General 2080B • Equipment Maintenance</td>
<td>334.00 250.00</td>
</tr>
<tr>
<td><strong>Total 2080 • Music Support(Exp)</strong></td>
<td>584.00</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>42,697.48</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>15,685.81</td>
</tr>
</tbody>
</table>
EXHIBIT - 4

DIOCESAN PROGRAM CERTIFICATE

Certificate Number: VPP006567
Diocese Number:
Participant:
Diocese of: Diocese of Kentucky and The Bishop Dudley Memorial Fund, Inc

Mailing Address:
Agency: CIC of Vermont
Region: 08
Service: 1-800-293-3525

Premises Number: 1
Building Number: 1
Description: CHURCH

Location:
319 Oaklawn Road
Brandenburg, KY 40109

Coverage Type
Building
Personal Property
Earthquake

Valuation: Replacement Cost

Limit
$92,800
$97,900
N/A

Deductibles:
Hurricane
$1,000

Flood
2%
N/A

Wind/Hail (other than Hurricane)

Equipment

Breakdown

Spoilage

24 hours

Crime

1%

Equipment Breakdown Service Interruption

Sinkhole Collapse

2%

All Other Property

$1,000

Percent deductible for Hurricane, Flood, Earthquake, Sinkhole Collapse or Windstorm/Hail is the indicated percentage of the building and contents limits shown on this Declarations page. If an Earthquake Sublimit is provided, the Earthquake deductible is the indicated percentage of the Earthquake Sublimit shown on this Declarations page.

Coinsurance: Coinsurance Waiver / Agreed Amount
Certificate Number: VPP0006567

Diocese Number:

Participant:
Diocese of: Diocese of Kentucky and The Bishop Dudley Memorial Fund, Inc

<table>
<thead>
<tr>
<th>Mailing Address</th>
<th>Agency: CIC of Vermont</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region: 06</td>
<td>Service: 1-800-293-3525</td>
</tr>
</tbody>
</table>

Certificate Period: From: 10/01/2015 To: 10/01/2016

In return for the payment of the premium and subject to all terms and conditions, we agree with you to provide the insurance as stated in your Diocesan policy.

**Description:**
- Blanket Buildings and Contents
- Foreign and Domestic Terrorism
- Water Backup and Overflow
- Equipment Breakdown
- Earthquake Blanket
- Fine Arts
- Ordinance or Law
- **Commercial Liability**
  - Pastoral Counseling
  - Hired and Non-Owned Auto
  - Products/Completed Work Liability
  - Personal Injury/Advertising Injury
  - Employee Benefits Liability
  - Fire Legal Liability
  - Medical Payments
  - Sexual Misconduct Liability
  - Directors' and Officers' Liability (including Educator's E&O and Employment Practices Liability)
- Accident Medical Expense

<table>
<thead>
<tr>
<th>Limit</th>
<th>Per Occurrence</th>
<th>Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$95,537,800</td>
<td>$1,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>$100,000</td>
<td>Not Applicable</td>
<td></td>
</tr>
<tr>
<td>Included</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,000,000</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>$500,000</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td>$1,000,000</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>$25,000</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>$1,000,000</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>$1,000,000</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>$1,000,000 per claim / $1,000,000 aggregate</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>$15,000</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>$60,000</td>
<td>Included</td>
<td>Included</td>
</tr>
</tbody>
</table>

(Limits continued on next page)

(See Specific Coverage sections for complete descriptions of coverage, definitions, retentions, deductible, schedules, exclusions and limits.)
Certificate Number: VPP006557

Diocese Number:

Participant:

Diocese of: Diocese of Kentucky and The Bishop Dudley Memorial Fund, Inc

Mailing Address:

Agency: CIC of Vermont
Region: 08
Service: 1-800-293-3625

Certificate Period: From: 10/05/2015
To: 10/05/2016

Description:

Crime Insuring Clauses

- Employee Theft Coverage
- Premises Coverage
- In Transit Coverage
- Forgery Coverage
- Computer Fraud Coverage
- Funds Transfer Fraud Coverage
- Money Orders and Counterfeit
  - Currency Fraud Coverage
  - Credit Card Fraud Coverage
- Client Coverage
- Expense Coverage

(Retention of 1% of the applicable limit applies to all Crime Coverage)

Limits:

- $50,000
- $25,000
- $25,000
- $50,000
- $50,000
- $50,000
- $25,000
- $25,000
- N/A
- $10,000

Commercial Umbrella

- per Occurrence: $1,000,000
- Aggregate: $1,000,000

Sexual Misconduct

- per Occurrence: $1,000,000
- Aggregate: $1,000,000

Retained Limit (applies only to Coverage U)

- $10,000

Underlying Insurance for Umbrella

- Commercial Liability
- Auto Liability
- Employers Liability Limits
- Directors and Officers Liability

- Church Insurance Company
- Any Admitted Insurer
- Any Admitted Insurer
- Church Insurance Company

(See Specific Coverage sections for complete descriptions of coverage, definitions, retentions, deductibles, schedules, exclusions and limits.)
The Episcopal Diocese of Kentucky
Internal Control Questionnaire
Manual of Business Methods in Church Affairs (Spring 2012)

Chapter II: Internal Controls; Section C

The following Internal Control Questionnaire is intended to provide guidance for setting up an accounting system and a checklist for periodic review and evaluation of an existing system. The questionnaire is designed also to assist a congregation's internal audit committee. The format is a series of questions, most of which refer to some recommended internal control. The normative answer to a question will be positive. A negative response suggests an area of the system that could be strengthened.

Developing a narrative description is suggested, to provide documentation of the current review. This narrative should be retained for reference in future evaluations.

General: The following items are intended to provide general information to aid understanding of the overall accounting and internal control system.

1. Are prior internal control questionnaires and auditors' recommendations available? Yes ☐ No ☑
2. Have recommendations of prior reports on internal controls been implemented? Yes ☐ No ☑
3. Is a complete and current chart of accounts, listing all accounts and their respective account numbers, available? Yes ☐ No ☑
4. Is there an accounting policy and procedure manual? Is it up to date? Yes ☐ No ☑
5. Is a current edition of this manual available? Yes ☐ No ☑
6. Is the accounting system using a double-entry bookkeeping method? Yes ☐ No ☑
7. Have the findings of external auditors been reported to the Vestry? Yes ☐ No ☑

Budget: The development and use of a budget is a critical management tool that will aid in the stewardship and administration of church resources and program.

1. Is the budget approved by the Vestry? Yes ☐ No ☑
2. Are all changes to the budget authorized by the Vestry and recorded in the minutes of the meetings? Yes ☐ No ☑
3. Is there a periodic review of the budget by the Vestry? Yes ☐ No ☑

Reporting: The best accounting system is of little value, unless it communicates the information it contains to those responsible. Although there may be variations, certain minimum standards exist to assure adequate communication of the financial information.

1. Is a Treasurer's report submitted to the Vestry or accounting committee each month? Yes ☐ No ☑
2. Is the Treasurer's report presented in sufficient detail to inform the reader about the nature of the various income and disbursement items? Yes ☐ No ☑

Embracing Christ, Engaging the World
f. Is the bank immediately notified of all changes of authorized check-signers? Yes □ No □
5. Are all journal entries for bank charges and bank account interest recorded routinely? Yes □ No □
6. Are all bank accounts included on financial reports to the Vestry? Yes □ No □

Petty Cash: The following controls are intended to provide a timely recording of cash expenditures in the accounting system.

1. Is the responsibility for the petty cash fund assigned to one person? Yes □ No □
2. Are all petty cash funds maintained on an imprest basis, i.e., the total amount of vouchers paid or disbursed, plus cash, always equal the amount of the fund? Yes □ No □
3. Is adequate review made of documentation before the fund is reimbursed? Yes □ No □
4. Is the petty cash fund reimbursed at least monthly? Yes □ No □
5. Are check cashing and making loans to employees prohibited? Yes □ No □
6. Is the actual petty cash protected from theft or misplacement? Yes □ No

Investments: Procedures for proper recording and control of all investment instruments will help to assure that all assets and related income are accounted for and properly reported.

1. Are all investment instruments held in the name of the church only? Yes □ No □
2. Is authorization for the sale and/or purchase of investments provided for by the Vestry or authorized investment committee? Yes □ No □
3. Are all investment instruments adequately protected from fire, theft, or misplacement? Yes □ No □
4. Is the income/dividends/interest recorded? Yes □ No □
5. Are all investment accounts included in financial reports to the Vestry? Yes □ No □

Property and Equipment: Certain procedures involving the physical assets of the church will aid in detecting, identifying, and preventing losses.

1. Is formal approval of the Vestry required for all property and equipment additions and dispositions? Yes □ No □
   Is a detailed inventory of all property, furniture, fixtures, and equipment maintained showing:
   a. Date acquired? Yes □ No □
   b. Detailed description? Yes □ No □
   c. Cost or fair market value at time of donation? Yes □ No □
   d. Any funding source restrictions? Yes □ No □
2. Is a periodic review conducted to compare the actual property, furniture and fixtures, and equipment with the recorded inventory listing? Yes □ No □
3. Is there a safe deposit box?
   a. Who is authorized to enter it? Yes □ No □
   b. Is there an inventory of its contents? Yes □ No □
4. Are permanent records such as articles of incorporation, if applicable, bylaws and real estate deeds kept in a safe place? Yes □ No □
5. Are they up to date? Yes □ No □

Embracing Christ, Engaging the World
3. Does the report present the current actual financial data compared with the approved budget?  Yes □ No □
4. Is there periodic reporting, at least quarterly, of all other funds and activities, including designated or restricted funds? Yes □ No □

Cash Receipts: Clearly stated policies and procedures regarding the handling of cash and other receipts help not only to protect from loss, but assure that all receipts are properly recorded in the records.

1. Are there safeguards to protect the collections from theft or misplacement from the time of receipt until the time the funds are counted and deposited? Yes □ No □
2. Are the collection receipts counted and deposited so that the deposit equals the entire amount of receipts on a timely basis (e.g., at least weekly)? Yes □ No □
3. Are there at least two unrelated persons responsible for counting and depositing the collections? Yes □ No □
4. Are the persons responsible for counting receipts rotated on a periodic basis? Yes □ No □
5. Do the counters have a standardized form for recording the deposit information? Yes □ No □
6. Are the counters' sheets retained and reconciled with actual deposits, and are all discrepancies investigated? Yes □ No □
7. Is there a control prohibiting the cashing of checks from the currency received? Yes □ No □
8. Are all of the pledge envelopes or other memoranda retained and reconciled to the recorded amounts? Yes □ No □
9. Are all other cash receipts recorded and deposited on a timely basis? Yes □ No □
10. Are all checks received restrictively endorsed—for deposit only “immediately upon receipt”? Yes □ No □
11. Are all cash receipts deposited into the general operating checking account? Yes □ No □
12. Are there procedures that will highlight, or bring to someone’s attention, the fact that all receipts or income have not been received or recorded? Yes □ No □
13. Are periodic statements provided to donors of record (i.e. at least quarterly)? Yes □ No □
14. Do acknowledgments of contributions in excess of $250 include a receipt from the recipient organization which states that it is “the contemporaneous acknowledgment required by the Internal Revenue Code, and states that, in accordance with Section 170(f)(8)(B), any goods or services provided consist solely of intangible religious benefits”? Yes □ No □
15. Are all discrepancies investigated? Yes □ No □

Cash Disbursements: The following procedures will assist in assuring that all payments are properly approved, recorded, and supported by appropriate documentation.

1. Are all disbursements made by check, except for small expenditures made from petty cash? Yes □ No □
2. Are all checks pre-numbered and used in sequence? Yes □ No □
3. Is there a clearly defined approval process for all disbursements? Yes □ No □

Embracing Christ, Engaging the World
4. Are all voided checks properly cancelled and retained? Yes ☐ No ☐
5. Are all checks made payable to specified payees and not to cash or to bearer? Yes ☐ No ☐
6. Are all disbursements supported by original documentation? Yes ☐ No ☐
7. Is the original vendor's invoice or other documentation cancelled at the time of signature to prevent duplicate payment? Yes ☐ No ☐
8. Check signing:
   a. Is signing blank checks prohibited? Yes ☐ No ☐
   b. Is using a signature stamp or pre-printed signatures prohibited? Yes ☐ No ☐
   c. Does all supporting documentation accompany checks presented for signature? Yes ☐ No ☐
   d. Are all account signers authorized by the Vestry? Yes ☐ No ☐
   e. Is more than one signature required for any check? Yes ☐ No ☐
   f. If not, do checks for more than $500 require more than one signature? Yes ☐ No ☐
   g. If signature imprint machines are used, are the keys kept under lock and key except when in use? Yes ☐ No ☐
9. Are all disbursements requiring special approval of funding sources or the Vestry properly documented in the Vestry or Finance Committee minutes? Yes ☐ No ☐
10. Are there adequate controls and segregation of duties regarding electronic funds transfers? Yes ☐ No ☐

Journal Entries: Journal entries offer a special opportunity to make adjustments to accounting records. The general journal is an equally important book of original entry as the cash receipts and cash disbursements journals.

1. Is there an appropriate explanation accompanying each journal entry? Yes ☐ No ☐
2. Are all journal entries approved by a knowledgeable authority other than the person initiating the entry? Yes ☐ No ☐
3. Is adequate documentation maintained to support each journal entry? Yes ☐ No ☐

Bank Account Reconciliation: The monthly reconciliation of all bank accounts is a primary tool for assuring the proper recording and accounting for all cash account activity.

1. Are all bank accounts reconciled within 10 days of receipt of bank statement? Yes ☐ No ☐
2. Do two different people perform the tasks of opening and reconciling the bank statement? Yes ☐ No ☐
3. Does someone complete the bank account reconciliations other than the person who participates in the receipt or disbursement of cash? Yes ☐ No ☐
4. Do the reconciliation procedures provide for:
   a. Comparison between the bank statement and the cash receipts journal of dates and amounts of deposits? Yes ☐ No ☐
   b. Investigation of bank transfers to determine that both sides of the transactions have been recorded? Yes ☐ No ☐
   c. Investigation of all bank debit and credit memos? Yes ☐ No ☐
   d. Review of all checks outstanding more than 90 days? Yes ☐ No ☐
   e. Are checks more than 180 days outstanding voided during the year-end reconciliation? Yes ☐ No ☐

Embracing Christ, Engaging the World
2. Is there a written record of hours worked, approved by a supervisor when applicable?  Yes □  No □
3. Are there adequate records to:
   a. Show computation of gross pay?  Yes □  No □
   b. Account for all deductions from gross pay?  Yes □  No □
   c. Support payroll tax returns and Forms W-2?  Yes □  No □
4. Are payroll tax returns filed on a timely basis?  Yes □  No □
5. Are payroll tax deposits made on a timely basis?  Yes □  No □
6. Are all employees, clergy and lay, receiving a Form W-2?  Yes □  No □
7. Are Forms 1099 being provided for all individuals who are not employees, and for all unincorporated entities paid $600 or more annually?  Yes □  No □
8. Are Form W-2 wages reconciled to the general ledger accounts, and all four quarterly payroll tax returns?  Yes □  No □
9. Are clergy housing allowances recorded in the minutes of the Vestry no later than the first meeting of the year?  Yes □  No □

*Computer Systems:* The use of computers creates the need for additional procedures to safeguard the system and data.

1. Are current or duplicate copies of the operating system and programs maintained off premises?  Yes □  No □
2. Are the files backed up daily and the backups maintained off premises?  Yes □  No □
3. Is access to the computer and computer programs limited to authorized persons?  Yes □  No □
4. Is there adequate documentation, including user manuals, available on-site for all computer programs?  Yes □  No □
5. Is a printed copy retained of all journals, general ledger, financial statements and any other computerized records?  Yes □  No □
6. Is there a plan for recovery of data and continuation of operations in the event of a disaster?  Yes □  No □
Insurance: Insurance should be maintained that is adequate to protect against all reasonable risks of loss.

1. Is a periodic review conducted to ensure the adequacy of the insurance coverage for:
   a. Property?
   b. Liability?
   c. Fidelity bond?
   d. Sexual misconduct?
   e. Directors and officers liability?
   f. Workers' compensation?
   Yes ☐ No ☐

2. Is there a policy related to sexual misconduct?
   Yes ☐ No ☐

3. Is a periodic review conducted to ensure that adequate controls are in place to prevent loss?
   Yes ☐ No ☐

Liabilities and Other Debt: All liabilities and other debt must be clearly reported, and all provisions or restrictions complied with.

1. Is all borrowing or indebtedness authorized by the Vestry and the appropriate diocesan board or committee?
   Yes ☐ No ☐

2. Are all loan agreements and/or lease agreements in writing and properly safeguarded?
   Yes ☐ No ☐

3. Are there periodic reviews conducted to determine compliance with any debt/lease provisions?
   Yes ☐ No ☐

4. Are all liabilities noted on Financial Reports to Vestry?
   Yes ☐ No ☐

Restricted Gifts and Income: Gifts restricted by donors are not handled in the same manner as other contributions. Procedures are necessary to assure that these gifts are recorded properly and all restrictions are observed.

1. Are records maintained of all bequests, memorials, endowments, or any other restricted gifts to include:
   a. Date, amount and donor of gift?
   b. Any restrictions or limitations?
   Yes ☐ No ☐

2. Does the Vestry or other authoritative body approve all restricted gifts and grants?
   Yes ☐ No ☐

3. Are the income and other transactions periodically reported to the Vestry?
   Yes ☐ No ☐

4. Are written acknowledgments issued for whom they are required?
   Yes ☐ No ☐

Payroll: The application of policies and procedures involving the employment of individuals assures compliance with payroll tax reporting to the various governmental entities.

1. Are personnel files maintained to include:
   a. Employment application and/or letter of employment
   b. Authorizations of pay rates and effective dates?
   c. Internal Revenue Service Form W-4?
   d. Department of Justice Form I-9?
   e. State Withholding Forms?
   f. New hire reporting?
   Yes ☐ No ☐
EXHIBIT – 7

The Episcopal Diocese of Kentucky
Internal Financial Review Committee Certificate

Date: ______/_____/_____
To: the Rector, Wardens and Vestry of ________________________________
    Name and address of church

Subject: 20___ Internal Financial Review

We have inspected the statement of financial position of ______________________ Church as of December 31, 20___, and the related statement of activities and cash flows for the year then ended. Our inspection was made in accordance with the guidelines of the Manual of Business Methods in Church Affairs, and the financial statements are prepared on a (please circle one — cash, modified accrual, or accrual) basis in accordance with principles adopted by the Episcopal Church and approved by its General Convention except as noted.

(Note exceptions here, if any: Was depreciation recognized? Were donated services recorded?)

We have taken steps to see that the accompany financial statements, as presented in the Parochial Report for 20___, present fairly in all material respects, except as noted above, the financial position of the Congregation at December 31, 20___; and that the changes in the net assets and its cash flows for the year then ended are in accordance with the principles authorized by General Convention of the Episcopal Church on a basis consistent with that of the preceding year.

Our inspection and certificate are not meant to be construed as an audit and opinion rendered by a Certified Public Accountant.

Members of the Internal Financial Review Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Embracing Christ, Engaging the World
The Episcopal Diocese of Kentucky
Internal Financial Review Committee Findings on Policies and Procedures

Date: ______/_____/_____

To: the Rector, Wardens and Vestry of ____________________________
    Name and City of Church

Subject: 20___ Internal Financial Review

During the course of the above inspection the following items pertaining to internal control and other operation matters were noted. The first group includes areas of management control where prior year recommendations have been implemented; the second group includes comments and recommendations of current year. This letter should be made a part of the minutes of your vestry meeting.

Areas where prior year review recommendations have been implemented:

________________________________________________________________________

Comments and recommendations of current year committee:

________________________________________________________________________

Members of the Internal Financial Review Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Embracing Christ, Engaging the World
Cash Management
Cash Management

Benefits to Lay Leaders and Congregations

- Cash & Checks Are Protected from Theft or Misplacement.
- Good Practices for Cash Management
- Adequate Controls Provide Staff & Volunteers Protection
- Accountability of Monies Received for Ministry & Mission
- Management of the Bank Reconciliation Process
- Management of the Payroll Risks Associated with Payroll
- Preparation of Parochial Reports and Financial Review

To Protect Cash & Checks From Theft or Misplacement
From The Time Funds Are Received Until Deposited
1. Cash and checks are counted by two unrelated (either by blood or marriage) persons responsible for counting and depositing receipts.
2. Is there a standardized form or counters sheets for recording deposit details?
3. Are pledge envelopes and other memoranda retained and reconciled to the recorded amounts?
4. Are the counter sheets being retained and reconciled with actual deposits and are discrepancies investigated?
5. If possible, checks or money orders should be copied and attached to the counters sheets.
6. Are all checks immediately upon receipt restrictively endorsed “for deposit only”?
7. Do the counters sheets and the amount of the deposit equal?
8. Are the Sunday collections as well as all cash receipts deposited into the general operating checking account?
9. Are deposits and all other cash receipts recorded and deposited on a timely basis?

Good Practices For Cash Management
1. Checks may not be cashed from cash received.
2. Procedures highlighting the fact that all receipts or income have not be received or recorded.
3. Periodic (quarterly) statements provided to donors of record (pledges). The assistant treasurer, finance chair and treasurer recommend a statement be sent out prior to the end of the year reminding people where they stand on their pledge.
4. Do acknowledgements of contributions in excess of $250 include a receipt from the church which states that it is “the contemporaneous acknowledgement required by the Internal Revenue Code, and states that, in accordance with Section 170(F)(8)(B), any goods or services provided consist solely of intangible religious benefits”?
5. Are all discrepancies investigated? Large irregularities should be reported to the Vestry or Bishop’s Committee and the Bishop.
Adequate Controls Provide Staff & Volunteers Protection

1. Check signers should not be related by blood or by marriage.
2. The Vestry or Bishop’s Committee minutes should list the check signers for the coming year.
3. All checks $300 or over shall require 2 signatures, except discretionary fund checks. (Canon 15. Sec 4A.)
4. Vestries and Bishop’s Committees approving Credit Cards for their congregations should list the names and credit limits of persons eligible for their use in the minutes.
5. Signing blank checks is prohibited.
6. Signature Stamps or pre-printed signatures are prohibited. Signature imprint machines should be kept under lock and key.
7. The financial record keeper should not be related by blood or by marriage to any of the check signers.
8. The financial records of the congregation should be kept at the church in a secure location. (This includes blank check stock.)
9. Procedures for any distributions made by online transactions or electronic funds transfers should be recorded in the Vestry or Bishop’s Committee minutes.

Accountability of Monies Received For Ministry & Mission

1. Are all disbursements made by check, except for small expenditures made from petty cash?
2. Are all checks pre-numbered and used in sequence?
3. Is there a clearly defined approval process for all disbursements (vouchers)?
4. Are all voided checks properly cancelled and retained?
5. Are all checks payable to specified payees and not to cash or to bearer?
6. Are all checks supported by original invoices not statements?
7. Does all supporting documentation accompany checks when presented for signature?
8. Are all disbursements requiring special approval of funding sources of the Vestry or Bishop’s Committee properly documented in the minutes?
9. Congregations receiving monies for endowments or bequests and gifts should have Vestry or Bishop’s Committee approval and documented with any donor restrictions in their minutes?

Management of the Bank Reconciliation Process

1. Someone other than the bookkeeper and check signers should receive the bank statement directly from the bank and check the statement. That individual should look for inappropriate checks, improper endorsements, checks payable to individuals not on the payroll and companies the church doesn’t do business with. That person doesn’t have to reconcile the account.
2. The bank account should be reconciled monthly and the reconciliations should be reviewed by the auditors on an annual basis. The lack of monthly reconciliations means there are probably errors in the financial statements and steps should be taken to resolve the situation as soon as possible.
Management of the Payroll Risks

1. Overpayment to legitimate employees.
2. Payment to fictitious employees.
3. Under or over withholding of taxes.
4. Failure to deposit payroll taxes as required by IRS.
5. Failure to file payroll tax returns as required by IRS.
6. Shown on clergy W-2’s are their housing allowance, any annuities withheld from their pay and imputed income from life insurance exceeding $50,000. (The Church Pension Fund provides coverage to all active clergy based on four times Total Compensation up to a maximum of $100,000, rounded to the nearest $500. The Diocese of Kentucky group life plan to all active clergy is $50,000 and premiums are billed to the congregation they serve.
7. Failure to provide W-2’s to clergy and employees (includes organists). File year-end reporting to various taxing authorities. (Episcopal Payroll Services 1-800-223-6602 ext. 6286)
8. Failure to provide 1099 MISC. forms to all individuals and any service providers paid $600 or more in the past year (includes supply clergy, nursery workers, sextons, grass cutting services and consultants).
9. Failure to keep proper documentation.

Ease in Preparation of Parochial Reports and Financial Reviews

1. Financial Statements should mirror the Parochial Report.
2. Financial Review Committees can be members of the congregation, members of another congregation or group of 3 individuals with financial expertise. Internal Financial Reviews can emphasis separation of duties and internal controls. External audits are required to prepare Financial Statements formats according to general accounting practices and review internal controls. External audits can be very costly.
3. Annual Financial Reviews are important as a review of internal controls and review of procedures used in the financial reporting to the congregation. A review of these procedures and controls protects your Bookkeeper, your Treasurer, the Vestry or Bishop’s Committee and your Clergy.
Diocesan Finance Committee
The Rev. Karl Lusk, Interim Chair

A Resource for Our Congregations

MARION LOAN FUND
Fund may only be received at the beginning of each calendar quarter.

Congregational pledges or because distributions from the Comminiched budget cycles because of, among other causes, slow receipt of

liquidity needs which occur in the annual diocesan

to cover short-term liquidity needs. The Treasurer and the Controller to use a portion of the Fund

authorized by the Treasurer and the Controller to use a portion of the Fund

in relatively liquid, registered securities. Trustees and Council has

since in recent years the Marion Revolving Loan Fund has been invested

(Diocesan Canon 39).

The Fund is managed by the Treasurer of the Diocese and is accounted for

improvement of their worship spaces.

its purpose, in part, was to create a permanent fund to assist clergy with

The Marion Revolving Loan Fund, resulted from a capital campaign in

What is it?
As a Resource...

- Repairs of any improvement to real property.
- Purchase of real property, or the construction, expansion, or major
  groups of agencies directly related to the Diocese may apply for the
  Parishes, Aided Parishes, and Mission Congregations or such other
  Council.
  request and makes recommendations of the same to Trustees and
  The Finance Committee of the Diocese Reviews formal letters of
  Not for operating expenses, salaries, wages, short-term items.
  For clergy housing down payments, up to $20,000.
  Facilities, parking lots, etc.
  For capital improvements (new roof, HVAC, major renovations to
  For the purchase of property (e.g. St. Thomas, Campbellsville,)}
How to Apply…
Council
borrower and concurrence from Trustees and
loans may be renewed, at the request of the
closing.
Life of a loan is 10 years from the date of the loan
Current rate of interest is 3% annually.
Property purchases can exceed $100,000.
Currently, no loan for capital improvements of
interest rates, and other loan details,
Trustees and Council establish Green Field rules,

...Details...
Church Finance Today
Facing a Future Without the Clergy Housing Allowance

Ways churches can prepare should this tax benefit ever go away.

By Chris Lutes

The latest constitutional challenge to the clergy housing allowance brought by the Freedom From Religion Foundation (FFRF) cleared its first significant legal hurdle in October, when a federal district court judge ruled the longstanding tax benefit for ministers to be an unconstitutional preference for religion. The parsonage allowance pertaining to church-owned housing remains unaffected.

The decision may now head to the Seventh Circuit Court of Appeals. Were the Seventh Circuit to affirm the lower court's decision (a decision is expected to come during the second half of 2018), it would apply only to ministers in that circuit (Illinois, Indiana, and Wisconsin). It would become a national precedent binding on ministers in all states if (1) such a decision is ever affirmed by the United States Supreme Court, or (2) the Internal Revenue Service allows a Seventh Circuit affirmation to promote consistency in tax administration nationwide. Because the Supreme Court accepts less than 1 percent of all appeals, it is uncertain that the Court will agree to hear the case and, moreover, uncertain how the Court would rule. Absent a Court decision, it's unclear how other federal circuits would address future litigation as well.

With the situation far from certain, churches nationwide should think through preparations now that would help ready their pastors were the clergy housing allowance ever to go away. Senior Editor Richard Hammar identifies three immediate implications of such an outcome that churches can address now:

1. Compensation. The sudden elimination of this tax benefit would immediately thrust many clergy into a dire financial position with a mortgage loan based on a tax benefit that no longer is available. Many church leaders would want to reduce the impact of such a predicament by increasing compensation, likely through some type of phased approach.

2. Tax payments. Many ministers would need to increase their quarterly estimated tax payments or voluntary withholdings to reflect the increase in income taxes in order to avoid an underpayment penalty.

3. Future home purchases. Ministers currently considering the purchase of a home should not base financing decisions on the availability of a housing allowance unless and until the courts conclude a rule in favor of the constitutionality of the allowance or their congregation is able to assure them that their compensation will be increased to compensate for the loss of the allowance.

We asked Ted Batson, tax attorney and CPA with the accounting firm CapinCrouse, to evaluate the financial and administrative aspects of these three implications, and provide additional recommendations as churches and pastors navigate this uncertain situation.

Let's assume for a moment that the housing allowance is suddenly a lost benefit for all clergy. What would happen?

Many pastors who currently take advantage of the benefit will quickly figure out that they can't make it on their current salaries. So churches will need to plan for the potential need to increase their pastor's compensation. This includes asking the congregation to give more generously to support the increase. However, if the churches can't increase their pay, these pastors will decide whether they have to (1) become bi-vocational, (2) find an opportunity at church that will pay more, or (3) leave the ministry.

If a pastor chooses either of the last two options, it will put the current church in a bind because it most likely can't afford to replace the pastor who has left or may have to accept a less qualified candidate. This could lead to other options for the church. For instance, a church could decide to consolidate with another church or share a pastor.

Let's say a church wants to do what it can, in terms of compensation, to retain that pastor. How would it implement Hammar's first recommendation?

If the housing allowance is invalidated in 2018,
Facing a Future Without the Clergy Housing Allowance

Ways churches can prepare should this tax benefit ever go away.

Interview by Chris Lutes

The latest constitutional challenge to the clergy housing allowance brought by the Freedom From Religion Foundation (FFRF) cleared its first significant legal hurdle in October, when a federal district court judge ruled the valuable longtime tax benefit for ministers to be an unconstitutional preference for religion. The parsonage allowance pertaining to church-owned housing remains unaffected.

The decision may now head to the Seventh Circuit Court of Appeals. Were the Seventh Circuit to affirm the lower court's decision (a decision is expected to come during the second half of 2018), it would apply only to ministers in that circuit (Illinois, Indiana, and Wisconsin). It would not become a national precedent binding on ministers in all states if (2) such a decision is ever affirmed by the United States Supreme Court, or (3) the Internal Revenue Service follows a Seventh Circuit affirmation to promote consistency in tax administration nationwide. Because the Supreme Court accepts less than 1 percent of all appeals, it is uncertain that the Court will agree to hear the case and, moreover, uncertain how the Court would rule. Absent a Court decision, it's unclear how other federal circuits would address future litigation as well.

With the situation far from certain, churches nationwide should think through preparations now that would help ready their pastors were the clergy housing allowance ever to go away. Senior Editor Richard Hammar identifies three immediate implications of such an outcome that churches can address now:

1. Compensation. The sudden elimination of this tax benefit would immediately thrust many clergy into a dire financial position with a mortgage loan based on a tax benefit that no longer is available. Many church leaders would want to reduce the impact of such a predication by increasing compensation, likely through some type of phased approach.

2. Tax payments. Many ministers would need to increase their quarterly estimated tax payments or voluntary withholdings to reflect the increase in income taxes in order to avoid an underpayment penalty.

3. Future home purchases. Ministers currently considering the purchase of a home should not base financing decisions on the availability of a housing allowance unless and until the courts conclusively rule in favor of the constitutionality of the allowance or their congregation is able to assure them that their compensation will be increased to compensate for the loss of the allowance.

We asked Ted Batson, tax attorney and CPA with the accounting firm CapinCrouse, to evaluate these financial and administrative aspects of these implications, and provide additional recommendations as churches and pastors navigate this uncertain situation.

Let's assume for a moment that the housing allowance is suddenly a lost benefit for all clergy. What would happen?

Many pastors who currently take advantage of the benefit will quickly figure out that they can't make it on their current salaries. So churches will need to plan for the potential need to increase their pastor's compensation. This includes asking the congregation to give more generously to support the increase. However, if the churches can't increase their pay, these pastors will decide whether they have to (a) become biocational, (b) find an opportunity at a church that will pay more, or (c) leave the ministry.

If a pastor chooses either of the last two options, it will put the current church in a bind because it most likely can't afford to replace the pastor who has left or may have to accept a less qualified candidate. This could lead to other options for the church. For instance, a church could decide to consolidate with another church or share a pastor.

Let's say a church wants to do what it can, in terms of compensation, to retain that pastor. How would it implement Hammar's first recommendation?

If the housing allowance is invalidated in 2018,
If the housing allowance goes away, pastors will need to rethink their personal budgets. Some pastors will say, “I can’t afford this 2,500-square-foot home. I’m now going to have to sell this one and buy a 1,900-square-foot home, because that’s all the mortgage I can afford with the loss of the housing allowance.”

To afford their current house, pastors may have to supplement their income with a second job or their spouse may have to find another job. Pastors also may have to give up on plans to construct an addition to their current home. They may decide not to renovate or buy new furniture. Maybe the lawn care service will need to go. They may give up cable.

Again, there are a number of choosy pastors who will need to make—and some of them will be difficult. They may say, “We like this house. We like the neighborhood. We like the schools. Our children have friends here. We’re going to stay in this house even though it will stretch us financially. We’re going to give up other things. We won’t eat out as much. We will take less-expensive vacations.”

On top of that, it will affect other critical areas, like saving for retirement or for their children’s education. Pastors might not be able to put away as much for these future expenses as they want to.

It creates some challenging financial management issues, doesn’t it?

Yes—for both the pastor and the church. If the housing allowance goes away, pastors will have to learn to manage their finances without this tax benefit.

Without the housing allowance, churches will be trying to come up with ways to help their pastor afford a home in the neighborhood where the church is located, because there is value in having the pastor live in the same community as the church. This might cause some churches to consider increasing compensation for the pastor as we have discussed. It also might cause some churches that don’t have a parsonage to consider purchasing one.

This also means pastors currently looking to buy should make a decision that keeps the possibility of this lost benefit in mind, right?

If you’re going to make an expenditure tied to the availability of the housing allowance, think carefully.

Pastors will have to weigh a number of lifestyle choices besides whether or not to take out a big mortgage.

**Dig Deeper**

For further help, turn to these resources on ChurchLawAndTax.com or on ChurchLawAndTaxStore.com:

- "Ten Tax Developments Affecting Churches and Clergy in 2018" in the January/February 2018 Church Law & Tax Report
- Church & Clergy Tax Guide

---

**Average Senior Pastor Compensation**

*Salary plus benefits broken down by church income.*

<table>
<thead>
<tr>
<th>Income</th>
<th>Annual compensation plus benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250K and under</td>
<td>$56,383</td>
</tr>
<tr>
<td>$251K to $500K</td>
<td>$80,693</td>
</tr>
<tr>
<td>$501K to $750K</td>
<td>$98,156</td>
</tr>
<tr>
<td>$751K to $1M</td>
<td>$103,789</td>
</tr>
<tr>
<td>Over $1M</td>
<td>$144,182</td>
</tr>
</tbody>
</table>

**FIND HELP SETTING COMPENSATION**

Along with comparisons according to income, the 2018 Compensation Handbook for Church Staff captures key comparison figures for locations, church sizes, years of employment, and more—all presented in easy-to-follow charts. Available on ChurchLawAndTaxStore.com.

Source: 2018 Compensation Handbook for Church Staff, based on data representing more than 10,000 staff members. The survey was conducted from February 2017 through May 2017 from a random sample of Church Finance Today, Church Law & Tax Report, and various Churchability Today e-newsletters and web visitors.

**Important Tax Guidance**

Current tax laws contain several provisions of direct relevance to churches and church staff. These laws, plus dozens of recent IRS rulings and court cases, are explained fully in the 2018 edition of Richard Hammar’s Church & Clergy Tax Guide. To stay up-to-date on the most recent tax law changes impacting your church and its employees, order this resource by calling 1-800-222-1840 and ask for item L118. Or find it on ChurchLawAndTaxStore.com.
Notes & Numbers

Generosity Starts with Generous Leaders

Like any vision or mission you want your church to embrace, it’s crucial that the pastor is surrounded by a team who advances a culture of generosity. Your leadership team must make generosity a personal priority and share it. They’re on the front lines supporting the vision, answering questions, and often times, defending against pushback. Staff members who share their giving stories and encourage the conversation around giving will further weave generosity into the fabric of your church.

In staff meetings, regularly ask team members to share their stories. It’s great practice, and it emphasizes the conversation around generosity as a priority.

—ChurchExecutive.com

Make Expense Reporting Easier

Gathering receipts and getting people to provide you with the account code or the reason for each expenditure can be frustrating. You need to find a way to make expense reporting easier for nonaccounting team members yet still provide the accounting details you need. Thankfully, technology can help.

Consider using a mobile app that allows staff members to take a picture of their receipt, select which account code applies (meals, fuel, office supplies, etc.), and submit it for reimbursement. Concur and Expensify offer mobile apps that can streamline the expense-reporting process.

A no-cost option is to have team members take a picture of their receipts using an app like TurboScan (the company offers a free version) and email the PDF Image to a central email address for accounting. This could at least reduce the number of lost receipts once they get into the habit of snapping a picture of receipts right away.

—MultiBriefs: Exclusive, adapted

Saving on Quality Sound and Lighting Systems

When purchasing a new sound or lighting system, it’s important to get quality products that fit your budget. To help you shop wisely while comparing products, ChurchTechToday.com suggests working through the following questions:

• Does this equipment serve a core purpose for delivering the Word?
• How often will this device or system be used?
• What is the life expectancy of this product?
• When will the device or system need to be repaired/replaced, and at what cost?
• Are there service agreements or other licensing costs that need to be added in?
• Does the technology require professional design or installation at additional cost?
• What are the training requirements for operating and maintaining the equipment?
• Who will support the equipment when there is a question or technical problem?

Watch Out for Flood-Damaged Cars

To help anyone on church staff looking for a used vehicle at a great price, you might want to issue this warning: some of those incredible deals right now might be too incredible to be believable. In fact, an estimated 500,000 severely water-damaged cars could be on the market as a result of last year’s hurricanes, reported Kiplinger’s Personal Finance Adviser. Here are additional details from Kiplinger worth passing along to church employees:

You may encounter such cars at auto auctions, where vehicles with salvage titles (meaning repairs cost more than the car is worth) often wind up to be sold legally, as long as the sellers disclose the salvage title. Or disreputable sellers may try to swindle customers. An extremely low price compared with prices for similar vehicles is the first tip-off—especially if the car is listed on Craigslist or is for sale at a shady-looking used-car lot. Look up used-car prices at kbb.com (click on “Car Values”). CarFax recently rolled out a free flood-check tool (carfax.com/flood). To use it, you’ll need the vehicle identification number.

ChurchFinanceToday

Volume 26 • Number 2 • February 2018

Senior Editor
Richard R. Hammar, J.D., I.M.A., CPA
Publisher
Rob Toel
Editor
Matthew L. C. Branaugh
Marketing Executive Director
Leslie Fermebee
Executive Editor
Chris Lutes
Art Director
Vlad Kazar
Designer
Mary Bellas
Resources Editor
Jim Bolton
Associate Editor
Samuel Ogles
Assistant Editor
Emily Lund
Editorial Coordinator
Nichole Donnell
Marketing Project Manager
Sandia Hodes-Garner
Marketing Coordinator
Calvin Edwards
Editorial Advisors
Richard Hammar (senior advisor)
Michael Bellis (Dan Burkey)
Ann Bouldin (Greg Cooper)
Erica Cole (Chip George)
Brenden Glass/Valdado-Glass/Sharl Lark
Laurie Luneau (David Magidson)
Danny Miller
Kevins Miller
Matthew Parker
Lisa Ranquist
Eboni Summerville
Frank Summerville
Published by
CHRISTIANITY TODAY
PO Box 3702
Boone, IA 50037-0012

Copyright © 2018 by Church Finance Today. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, without the written permission of the publisher. THE CONTENTS OF THE PUBLICATION ARE FOR INFORMATIONAL PURPOSES ONLY. CHURCH FINANCE TODAY IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

Download YOUR FREE SkillBuilders!

Download the SkillBuilders on "6 Benevolence Fund Best Practices." Visit CLITstore.com/SkillBuilders by February 28 and enter the code 125454 at checkout.
Episcopal Payroll Services
A full range of payroll services including tax reporting and filing

CPG's Episcopal Payroll Services (EPS) program provides Episcopal employers with an accurate, efficient, cost-effective way to pay faculty and staff.

Take advantage of the very competitive rates we have negotiated with world-class payroll processor ADP\textsuperscript{5} and feel confident that your employees are paid correctly and on time, payroll taxes are paid accurately and in compliance with tax laws, and W-2s and 1099s are filed on time.

Services include:
- Web-based and telephonic processing — manage your payroll 24/7 from a PC or mobile device, or speak with an administrative representative
- Federal, state and local tax reporting — ADP deposits payroll taxes, prepares and files returns, and issues paper or electronic copies
- Preparation and timely filing of pay verification forms such as W-2 and 1099 forms
- Direct client support from ADP, as well as one-on-one support from our EPS staff

Start a conversation
Call Patricia Tucker at (800) 223-6602 x6266, Monday – Friday, 9:00AM – 5:00PM ET (excluding holidays), or email eps@cpg.org. Learn more at www.cpg.org/eps.

\textsuperscript{5} CPG cannot and does not guarantee the performance of ADP.
Church Insurance Agent Contact Information
JEFFREY LYNGAAS  
Account Representative  
Mobile: 630-327-6066  
Office: 630-868-8575  
Fax: 630-868-8576  
Email: jlyngaas@cpg.org

JULIE POSEY  
Customer Service  
Office: 800-293-3525 ext. 4715  
Email: jposey@cpg.org

FILING CLAIMS  
800-223-5705