

## Joint Standing Committee on Program, Budget and Finance

The Standing Committee on Program, Budget, and Finance receives its chartered authority under TITLE II which says in part that in respect to the Budget of the General Convention the Committee shall have the power to consider, adjust or make additions as it shall deem necessary and which in its judgment available funds and anticipated income will warrant, and likewise shall have the power to adjust annual assessments on Dioceses within the limits established by the General Convention.

With regard to the General Church Program, the Joint Standing Committee shall

- 1) Meet and consult with Executive Council or its Finance Committee on adjustments to Program priorities, and on alternate income generating resources.
- 2) Receive from the Executive Council not less than four months prior to the General Convention the proposed General Church Program for the upcoming Triennium including a detailed budget for the year following the Convention.
- 3) Shall meet in the Convention city of the next General Convention sufficiently in advance of the Convention to hold hearings on the proposed Program and Budget, consider it and report thereon to the Convention.
- 4) Not later than the 4th day prior to the adjournment of each regular meeting of the General Convention report to the House of Deputies a proposed Budget for the General Convention for the ensuing Convention period, and report to a Joint Session of both Houses of the Convention a proposed Budget for the General Church Program for the ensuing Convention period subject to the elimination or addition of items by action of the General Convention.
- 5) Shall have a section on audit to direct periodic audits of the accounts of the Treasurer of the General Convention and the Treasurer of the Executive Council, and to serve as an Advisory Committee to the respective treasurers.

Dr. Charles Lawrence, President of the House of Deputies, and the Presiding Bishop appointed the Joint Standing Committee on Program, Budget and Finance on December 20, 1976 as follows:

- Province I*     The Rt. Rev. Morris F. Arnold, 6  
                    The Rev. Canon David W. Crockett, 6, 9  
                    Mr. Edward L. Daniel, 6, 10, 11  
                    Mrs. Joseph (Mary Nash) Flagg, 7
- Province II*     Mrs. Marjorie Christie, 6  
                    Mr. Harry W. Havermeyer, 1, 6, 9  
                    The Rev. Lloyd Uyeki, 7  
                    The Rt. Rev. Albert Van Duzer, 7
- Province III*    Mrs. W. L. Chamberlain, 7  
                    Mrs. Earl Eisenhart, 7  
                    The Ven. William G. Lewis, 2, 6  
                    The Rt. Rev. Dean T. Stevenson, 7, 9, 11

## APPENDICES

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- Province IV* Mrs. Seaton Bailey, 7, 11  
The Rev. Canon George I. Chassey, 7, 9  
The Rt. Rev. Emerson P. Haynes, 7  
Mr. Robert McNeilly, 3, 6, 9
- Province V* The Rt. Rev. Quintin E. Primo Jr., 6  
Mr. Ernest N. Robinson, 6, 11  
The Rev. Kenneth E. Trueman, 7  
Mr. John Webster, 7, 9, 11
- Province VI* Mr. John L. Carson III, *Chairman*, 9, 11  
The Rt. Rev. Jackson Gilliam, 6  
Sister Margaret Hawk, 7  
The Rev. Robert Royster, 6, 11
- Province VII* Mr. Sheldon H. Crocker, 6  
Mr. William Grosser III, 6, 8  
The Rev. Donald N. Hungerford, *Secretary*,  
6, 10, 11  
The Rt. Rev. Edward C. Turner, 7
- Province VIII* The Rev. William G. Burrell, 4, 7  
Mr. Matthew Chew, 6, 8, 9, 11  
Mr. Robert F. Gaines, 7  
The Rt. Rev. Robert C. Rusack,  
*Vice Chairman*, 6, 11
- Province IX* The Rt. Rev. Anselmo Carral, 7, 11  
The Rev. Clarence W. Hayes, 7  
Mr. Richard Moss, 6, 9  
Mrs. Catherine Saucedo, 7

### *Ex officio, without vote*

- The Rev. John Edler, *Consultant 5*  
Mr. Kenneth W. Miller, *Treasurer of General Convention*  
Mr. Matthew Costigan, *Treasurer of Executive Council*

The Rt. Rev. Robert C. Rusack convened the Committee for its organizational meeting on May 19, 1977 in New York City. Mr. John L. Carson III was elected Chairman, the Rt. Rev. Robert Rusack, Vice-Chairman, and the Rev. Donald N. Hungerford, Secretary. It was determined to divide the full committee into six sections to facilitate its task.

Expense Section — Ernest Robinson, *Chairman*  
Program Section — Lueta Bailey, *Chairman*  
Audit — Matthew Chew, *Chairman*

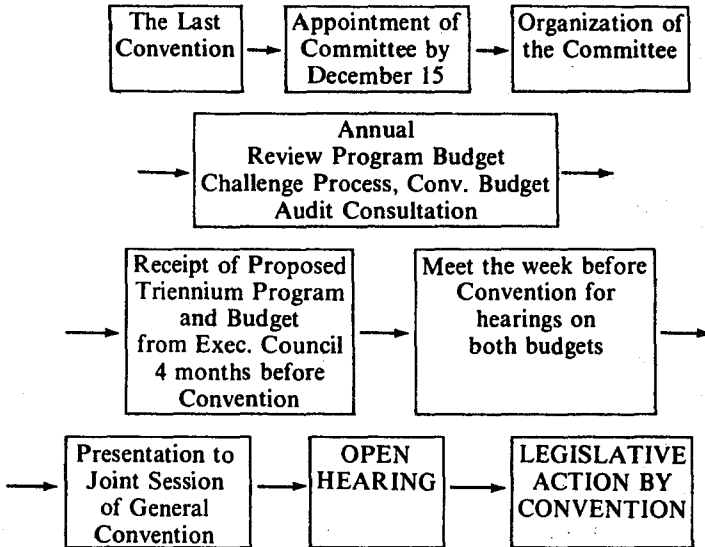
- 1 replaced Robert Wehrle, not re-elected
- 2 replaced Rev. Henry Mitchell, changed jurisdiction
- 3 replaced Louis Willie, resigned
- 4 replaced The Very Rev. Richard Coombs, not re-elected
- 5 replaced The Hon. E. Holcomb Palmer, resigned
- 6 Expense Section
- 7 Program Section
- 8 Audit Section
- 9 Presentation Section
- 10 Funding Section
- 11 Executive Committee

## PROGRAM, BUDGET, AND FINANCE

Funding — Edward L. Daniel, *Chairman*  
Presentation — Bishop Stevenson, *Chairman*  
Executive Committee: The Officers and Section Chairman

The Joint Standing Committee is one of the unique "interim bodies" (Committees, Commissions, Boards and Agencies) of the General Convention because it becomes a legislative committee with the opening of the Convention. The Committee on Nominations is the only other interim body to recommend legislation. All other interim bodies conclude their commission with their "Blue Book" report.

If one could visualize a schematic of the budget process the JCPB&F uses to arrive at the Church's two budgets, it would look something like the following:



### Budget Administration

Deputies should be informed that once the Program Budget is passed by the General Convention, it is administered by the Executive Council. The "Program" section of P B & F consults with the Executive Council or its finance committee with respect to budget changes, keeping integrity with the priority intent of the General Convention. In the past Triennium these meetings were held in Chicago, November 1977 and in Greenwich, November 1978.

With regard to the General Convention Budget, The Joint Standing Committee on P B & F administers it itself through its Expense Section. Hence this Section met seven times during the Triennium, July 27, Sept. 8, and Oct. 21 in 1977, Jan. 13, Jan. 22-24, Nov. 17 in 1978 and Jan. 27-30 in 1979; further meetings will be held in May and September. These meetings have all been in Chicago or Denver.

Except for the first year of the Triennium where the General Convention itself determines the budget, there is a meeting in each of the two following Januarys with the Chairmen of "interim bodies" to set a budget for that year, and to deal with lapsed balances. A Challenge process is used for full disclosure and accountability to see that funds are properly used to carry out the charge of the General Convention to each Committee, Commission, Board and Agency. Mr. Kenneth Miller, Treasurer, main-

## APPENDICES

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tains proper records to insure that accountability is kept in purview and the integrity of the budget is protected.

The Expense Section of fifteen members is divided into three sub-committees with responsibility pertaining to

- a) The Salaries and Expenses of Officers of the General Convention (Presiding Bishop, President of House of Deputies, Executive Officer).
- b) The costs related to holding General Convention and its manager.
- c) Requirements of "interim bodies" — (Committees, Commissions, Boards and Agencies).

### Fiscal Policy and Procedure

The Audit Section supervises the accounting procedures and fiscal policies of the Church working in conjunction with the two Treasurers.

The activities of the section during the Triennium included the following:

- a) Worked with the General Convention Treasurer, Mr. Kenneth W. Miller and the General Convention Executive Officer, The Rev. Dr. James R. Gundrum to obtain the appropriate conflict of interest statements from the various committees, commissions, boards, etc. of the General Convention.
- b) Counseled with Mr. Matthew Costigan in recommending the selection of independent auditors for the examination of the records of the Domestic and Foreign Missionary Society, and of the General Convention.
- c) Participated with members of the Executive Council Audit Committee, and the treasurers in meetings with the independent auditors to review their annual reports and internal control recommendations. Beginning with the annual audit for the calendar year 1978, we also participated in advance planning for the scope of the examinations.
- d) Consulted with the two treasurers concerning the assignments of the Church's Internal Auditor.
- e) Assisted in reviewing the draft of the new accounting manual for Dioceses, parishes, and missions being prepared under the direction of Mr. Costigan.
- f) Worked with the Treasurer and the Executive Officer of General Convention in clarifying the accountability policies for the General Convention budget including such things as the purchasing policies and the accountability for grants.

Mr. Grosser was selected to be the P B & F audit section's representative on the Venture in Mission audit committee.

### Assessment Determination

The Funding Section has monitored the receipts of the Treasurer of the Executive Council and of the Treasurer of the General Convention in order to determine the fiscal responsibility of the current NDBI assessment rates and to inform our Committee on the possibility of the next steps toward attaining the goal of the past two General Conventions, namely reaching a uniform assessment rate for the whole Church. For example, in 1977 we budgeted \$12,038,819 receipts from apportionment, we received \$11,550,414; in 1978 we budgeted \$12,414,089 and received \$11,918,802. The Net Disposable Budget Income of the Dioceses was assessed on a sliding scale ranging from 4.85 maximum to 3.2 minimum in 1977 and 4.5 maximum to 3.4 minimum in 1978. The Funding Section will study the results from this Triennium and make projections for the next Triennium in proposing the assessment formula to fund the 1980-82 budget of the Church. All of this is necessary for determining the funds available as the Church by Canon must operate on a balanced budget. Two important fiscal policies which have come out of recent General Conventions at Louisville and Denver are restricting policies in regard to Trusts and legacies. Income from Trust Funds may be used toward the Program Budget in the subsequent year, not in the year in which it is derived. Hence there is no speculation in amounts to be received from this source.

## PROGRAM, BUDGET, AND FINANCE

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Also the lapsed balance of a current year cannot be used until a following year, and finally, if legacies available for income purposes exceed the amount anticipated in the budget, the excess amount goes into a new general endowment to produce income for budgetary support and can be used for no other purpose. The new deputy to General Convention is requested to see a note of responsibility and reality about the use of non-apportioned income.

In May 1977, the Presidents of the two Houses of General Convention returned to a former practice of the Church by separating the offices of the Secretary and Treasurer of the General Convention and appointing Kenneth Miller of Long Island as Treasurer. The Rev. Dr. James Gundrum is the Secretary, as well as Executive Officer.

The Presentation Section prepares and plans how the proposals and recommendations of the Joint Standing Committee will be presented to the Joint Session of the House of Bishops and House of Deputies with clarity and in a manner which informs the deputy what he is voting on, and what are the priorities evaluated by the budget proposal. Its work is done after the Program and Budget proposal of the Executive Council has been received.

The Executive Committee coordinates the diverse concerns of Program, Budget and Finance meeting upon the call of the Chairman. The Executive Committee submits all final budget proposals to the whole committee for approval. In March 1979, the Executive Committee voted that the Chairman, Jack Carson, request of the Presidents of the Provinces of the Church time on the agenda of each Provincial gathering of Deputies to be held before the Denver General Convention. The purpose of the request was to educate new deputies in the budgeting processes of the two budgets of this Church.

In this Triennium, the P B & F adopted a lapsed balance and overdraft policy for the interim bodies, reviewed fiscal procedures bringing travel expense allowance and purchasing policies of the General Convention into compatibility with those of the Executive Council, and instituted an annual budget process for funding the goals and objectives of the various interim bodies as they related to the Charter given them by General Convention.

### **Church Archives Studied**

We conducted an independent study of the work and needs of the Church Archives using Dr. David Gracey, Archivist of the State of Texas, as consultant. Our Committee suggested that the co-mingling of the funds for the Archives of the Church with those for the activities of the Church Historical Society obscured both the scope of the Archival task of the Church and also the requirements for the publication of the *Historical Magazine*. The Treasurer of the Historical Society and the Treasurer of the General Convention were requested to work out separate bookkeeping records for these two functions so that the Program Budget & Finance Committee might more accurately determine what it was funding.

Dr. Gracey's report to P B & F recommended the following changes for a more adequate fulfillment of the Archival Task:

- 1) That a records management program be instituted at Church Center for a better discernment of the kinds of materials to be deposited in the Archives.
- 2) An additional professional staff member be hired for the Archives to enable keeping up with the accession rate.
- 3) For space saving as well as good record keeping that a microfilming program be instituted especially for the voluminous financial records of the Executive Council deposited with the Archives.
- 4) That the salaries in the Church Archives be put on a basis comparable with professional salaries of Archivists in other institutions.

## APPENDICES

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- 5) The whole Church should be made aware that the present housing for the Archives at the Episcopal Theological School of the Southwest in Austin, Texas, is adequate, at the present rate of accession, for only another ten years. The report revealed the degree of indebtedness the general Church owes to the Episcopal Theological school of the Southwest as the housing and services it provides the Church Archives could not be duplicated for less than \$40,000 per annum. The report was highly complimentary of the calibre of the Archival program developed by Dr. V. Nelle Bellamy.

The Expense Section has requested pursuant to this report that Mr. Killion Fehr, Architect for the Seminary, be requested to make a proposal for a feasibility study for additional archival space at the Seminary. The General Convention budget for 1980-1982 will include provision to fund these recommendations in order to put the operation of the Archives in top-notch shape and to institute long-range planning for its future.

Because of the separation of the function of the Archives (a clear responsibility of the Church) from the other activities of the Church Historical Society, and because the budget process requires that moneys of the General Convention given for the Archival task must be accounted for under the same procedure as all other moneys for interim bodies, the Program, Budget and Finance Committee shall propose jointly with the Church Historical Society a resolution of clarification and renewal of the custodianship of the Archives. The intent of this is to say that the Historical Society is custodian of the Archives and supervises its task from a historical viewpoint; the Program, Budget and Finance Committee will supervise its funding and expenses from the viewpoint of accountability to the General Convention. The resolution shall read as follows:

### **Resolution for clarification of responsibility**

The Historical Society of the Episcopal Church shall be custodian of the Archives of the Episcopal Church and the Board of the Society shall be the Board of the Archives. This Board shall report to the General Convention according to General Convention procedures on the funds received from the General Convention for the custodianship of the Archives.

### **The Philosophy of Our Charter**

One cannot simply characterize the nature of the work of this unique Joint Standing Committee on Program, Budget, and Finance as existing merely to determine the funds available or income realistically anticipated on the one hand and to monitor and evaluate budgets as they are expended on the other. This surely is a big part of P B & F's Charter, but also this committee makes analysis, receives data, gives guidance, serves as listening post, an arbitrator, innovator or proposer of action, assures fiscal accountability and protects the credibility of the budgets of the Church. The Committee interprets its responsibility to the General Convention as seeking the ways and means to fund all of the Church's activities most equitably according to the Funds available. The General Convention itself sets the goals, objectives and priorities; we see that they are carried out within the fiscal realities in which the Church lives.

Mr. John Carson III, Chairman  
The Rt. Rev. Robert C. Rusack, Vice-Chairman  
The Rev. Donald N. Hungerford, Secretary

### **Resolution #A-77**

*Resolved*, the House of \_\_\_\_\_ concurring, That the sum of \$87,050 be

## PROGRAM, BUDGET, AND FINANCE

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appropriated for the work of the Joint Standing Committee on Program, Budget and Finance for the 1980-82 Triennium.

### Resolution #A-78

*Resolved*, the House of \_\_\_\_\_ concurring: The Historical Society of the Episcopal Church shall be the custodian of the Archives of the Episcopal Church and the Board of the Society shall be the Board of the Archives. This Board shall report to the General Convention according to General Convention procedures on the funds received from the General Convention for the custodianship of the Archives.

## ADDENDUM

On May 15, 1979, the entire Committee, except for the absence of Bishops Rusack and Arnold, Messrs Havermeyer and Webster, Mesdames Chamberlain and Hawk, met with the Presiding Bishop, the president of the House of Deputies, the Executive Officer and his assistant, the Treasurer of the General Convention, the Treasurer of the Executive Council, and members of the Executive Council and staff, to receive the program budget proposal of the Executive Council to the General Convention for the years 1980-82. Mr. John L. Carson III of Colorado presided.

The Presiding Bishop and the President of the House of Deputies respectively addressed the Program, Budget and Finance Committee to voice their view of where the Church was financially and how they saw the Committee's task and process in preparation for the Denver Convention. Mrs. Seaton Bailey and Margaret Andersen presented a slide show interpreting the program budget in terms of people. The Rev. Bob Wainwright of the Executive Council led the Committee in a detailed examination of the budget. Bishop Milton Wood, the Rev. Bob Wainwright, and Matthew Costigan answered questions about the budget request.

On May 16th, the Program, Budget and Finance Committee organized for work and oriented new members in the process to be followed through the Denver Convention in September. The balance of the day was spent beginning work on the budget. The Program Section of P B & F under the chairmanship of Mrs. Lueta Bailey met with staff persons from the Church Center to gain informational data on the proposed program budget. The Expense Section under the chairmanship of Ernest Robinson oriented the new members on the scope of the proposed General Convention Budget. The Rev. Dr. James Gundrum, Executive Officer, and Kenneth Miller, Treasurer, met with the sub-section as consultants.

The Funding Section met with Matthew Costigan, Treasurer of the Executive Council, and reviewed statistical studies made in preparation for the setting of the assessment rate for the next Triennium.

Bishop Stevenson convened the Presentation Section to begin planning the method of presentation of the two budgets to the Joint Session of the General Convention.

On May 17, the entire Program, Budget and Finance Committee met to hear reports on the work to date. All reports and decisions were considered to be only preliminary until after the open hearings were held in Denver.

The following schedule was adopted for Denver.

Sept. 5: 2 P.M.	Committee convenes and organizes.
Sept. 6-8th	Open hearings.
Sept. 15th	Presentations of the budgets to the Joint Session of both Houses.

## APPENDICES

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Sept. 16th  
Sept. 17th

Open hearings on finalized budgets.  
Legislative action on the budgets.

Respectfully submitted,  
John L. Carson III, *Chairman*  
The Rt. Rev. Robert C. Rusack, *Vice-Chairman*  
The Rev. Donald N. Hungerford, *Secretary*

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