

## ***A Funding Plan Model for the PCA Administrative Committee/Office of the Stated Clerk***

The following information is set forth to present a new system for funding the PCA Administrative Committee and the Office of the Stated Clerk.

This plan is designed to be more Biblical, more constitutionally consistent, more beneficial and more effective for the entire PCA. The plan is not perfect, but has the potential to make some much-needed financial improvements which would better connect the members of the PCA and advance the many ministries the Lord has given to her.

The goal of the proposed plan is for all churches, teaching elders, and presbyteries to give to the cause of connecting the PCA (a summary expression for the work assigned to the Administrative Committee) by the payment of annual registration fees. We urge your attention to this proposal, as we believe it would strengthen the PCA financially and by God's grace allow the PCA more ministry opportunities in service of His kingdom.

A proposed change of the magnitude described here naturally gives rise to questions regarding the purpose, implementation, and funding of the plan.

Please permit us to explain the proposed plan step by step through the discussion below.

### ***I. Why do we need a new plan for funding the Administrative Committee?***

The General Assembly has constitutional authority to order (by vote of its commissioners) many assignments of various kinds to the PCA Administrative Committee (AC). The AC's ongoing responsibilities include coordination of General Assembly; operation of Standing Committees; payment of the expenses of the SJC; maintaining records of churches, presbyteries, and teaching elders; offering of placement services; and much more. Specific Assemblies often assign additional tasks to the AC. Although these responsibilities are assigned by the church at large, over half of our churches do not help to pay the resulting costs.

In the PCA, only 45% of our churches currently give to the Administrative Committee and only about 16% give the full Partnership Share. After 36 years of trying to make the current funding system work reasonably, the PCA Administrative Committee has never made full budget. The Administrative Committee has continually operated at a deficit and roughly half of the time requires the use of an authorized line-of-credit. Frequently the situation is one of demanding "more bricks and providing less straw." If there is to be constitutional authority to order our historical "Unfunded Mandates," then there should be constitutional authority to require the payment of the resulting costs.

### ***II. How Would Churches, Teaching Elders, and Presbyteries be Required to Give?***

#### **Churches' Annual Registration Fee**

All churches would be required to give a modest contribution to the PCA Administrative Committee as determined by the size of each church's budget.

The payments being requested as "Annual Registration Fees" are not excessive, and they directly correlate to the church's ability to pay. It is difficult, if not impossible to justify churches' and teaching elders' using the name, rights, and privileges of the Presbyterian Church in America while not helping with the administrative cost of connecting her.

Please review the chart below for an overview of the reasonable registration fees which would be required.

<b>PCA ANNUAL REGISTRATION FEE FOR CHURCHES</b>				
<b>CATEGORY</b>	<b>TITHES &amp; OFFERINGS RANGE</b>	<b># OF CHURCHES</b>	<b>REG. FEE/ CHURCH</b>	<b>ESTIMATED FINANCIAL SUPPORT PER CATEGORY</b>
A	\$7,000,000 plus range	5	\$25,000	\$125,000
B	\$5,500,000 to 6,999,999	0	\$21,000	\$0
C	\$4,000,000 to 5,499,999	8	\$16,000	\$128,000
D	\$3,000,000 to 3,999,999	10	\$12,000	\$120,000
E	\$2,000,000 to 2,999,999	18	\$7,000	\$126,000
F	\$1,500,000 to 1,999,999	14	\$6,000	\$84,000
G	\$1,250,000 to 1,499,999	22	\$5,000	\$110,000
H	\$1,000,000 to 1,249,999	27	\$4,000	\$108,000
I	\$750,000 to 999,999	41	\$3,000	\$123,000
J	\$625,000 to 749,999	43	\$2,300	\$98,900
K	\$500,000 to 624,999	60	\$1,800	\$108,000
L	\$400,000 to 499,999	85	\$1,500	\$127,500
M	\$300,000 to 399,999	115	\$1,200	\$138,000
N	\$200,000 to 299,999	160	\$800	\$128,000
O	\$150,000 to 199,999	136	\$600	\$81,600
P	\$100,000 to 149,999	202	\$400	\$80,800
Q	\$50,000 to 99,999	241	\$200	\$48,200
R	\$0 to 49,999	544	\$100	\$54,400
<b>TOTALS</b>		<b>1,731</b>		<b>\$1,789,400</b>

The groupings of ranges above were done by setting a mean (average) for each Tithes and Offerings Range and multiplying by 0.334% (or 1/3 of 1%). Ranges were also set in consideration of some existing realities within the PCA such as number of churches in a particular range and consideration of what the ranges could reasonably and fairly bear. Per capita was abandoned for this chart, as it created some considerable unfairness relative to size of church budget vs. number of members.

The registration fees would change with any radical change in the economy or with any additional assignments given to the PCA AC. The percentage in the computation for the Annual Registration Fee for churches may not exceed four-tenths of one percent (0.4%, 4/10%) without: 1) Approval of the proposed increase by a majority of commissioners present and voting in the General Assembly, and its recommendation to the Presbyteries;

AND 2) The advice and consent of a majority of Presbyteries that report their actions on the proposed increase to the subsequent General Assembly.

The Registration Fee schedule needed to support the AC Annual Budget would be presented to the General Assembly annually for approval as part of the approval of the PCA AC Budget of that particular year.

### **Teaching Elders' Annual Registration Fee**

Teaching elders benefit from their ordination by and their connection with the PCA. These benefits require a significant and ongoing annual expense on the part of the PCA AC. Consequently, it was decided that all PCA pastors/teaching elders (excepting retired teaching elders) would be required to pay an Annual Registration Fee of \$100.

For those teaching elders who are serving in ministries other than local churches, in exchange for this Registration Fee they would retain all the benefits and privileges accorded them in the PCA and would be qualified to vote at General Assembly without any further GA registration fee being paid. Those serving local PCA churches would be required to pay the TE's Annual Registration Fee, and their churches would be required to pay the church Annual Registration Fee, in order for the teaching elders, as well as the church's ruling elders, to be qualified to vote at General Assembly. If the church declined to pay, the teaching elder would still retain all the benefits and privileges accorded him in the PCA, excepting the privilege of voting at General Assembly.

(Under the current funding system, teaching elders are required to pay a \$400 registration fee to vote at General Assembly; the practice of requiring a \$400 General Assembly registration fee would be dissolved.)

### **Presbyteries' Annual Registration Fee**

Each presbytery would be required to contribute \$500 annually to a special fund maintained by the PCA Administrative Committee, which would be anticipated to reach at least \$35,000 per year and would be designated exclusively to be used by the Host Committee of the General Assembly for the particular year.

This practice would make it more reasonable for small presbyteries to host the General Assembly and would simply be a more equitable means of covering the expenses of the GA Host Committee. The financial burden would be borne by all those who benefit from hospitality rather than only by the hosting presbytery. The Host Committee would continue to provide the many volunteers whose work and ministry make our Assemblies more comfortable and convenient. Without these volunteer services our meetings could not take place.

### **III. *What Benefits Would Result from the Acceptance of this Proposed Plan?***

The implementation of this proposed plan will ensure the continued operations and services of the Administrative Committee, benefiting the churches and presbyteries of the PCA as well as the Committees and Agencies of the GA.

- Preservation of the ecclesiastical and civil entity of the PCA and her constitutional documents
- Maintenance of the regular record keeping functions of the Stated Clerk's Office for the benefit of churches, presbyteries, and teaching elders

- Attendance of commissioners to General Assembly for no additional registration fee
- Maintenance of all the expenses of the Standing Committees of the General Assembly as currently structured
- Continued oversight of the PCA Historical Center and continued payment of its expenses
- Continued publication of *byFaith* magazine, with the addition of delivery into every PCA home whose address is provided to us by the local church or individual
- Continued operation of *byFaithonline.com*
- Continued operation of the PCA AC Placement Office with some enhancements
- Continued publication of *GA Minutes*. (*GA Minutes* would be available online for download. Print copies available for purchase at a nominal cost.)
- Continued publication of the *PCA Yearbook*, and the *PCA Directory*.

#### ***IV. How Would this Proposed Plan be Implemented and Maintained?***

Because the advantages and usefulness of this plan far exceed those of the present system, implementing the plan and maintaining it should not be difficult.

The proposed change will strengthen the ministries of the PCA Administrative Committee and the Office of the Stated Clerk. Much needs to be done every year by the AC for the good of the churches, the presbyteries, the General Assembly, and the teaching elders, and the bills for these services must be paid regularly and in full. We are not very far away from achieving this, but the cost needs to be shared more fairly by all. It will be healthy for the fellowship of the PCA if **all parties** are carrying the expenses of these ministries of the AC. If every church, pastor, and presbytery participates, the weight will be more fairly distributed. Such a plan, it is hoped, can be pursued gladly and cooperatively.

Some regulations will need to be developed to accomplish this plan. Some minimum reporting requirements, such as total membership and total tithes and offerings, will have to be put in place -- most likely in the Rules of Assembly Operation. Accurate and up-to-date information will need to be in place to operate well and wisely.

An appropriate procedure will need to be designed to ensure participation. Such a procedure must do all that is reasonably possible to assure willing participation.

#### **Procedures for the Implementation and Maintenance of the Annual Registration Fees**

- Deadlines must be set for all fees. Notices of payment due would be sent to all parties by January 15 each year. Teaching elders and presbyteries should pay their registration fee by the end of February each year. This would provide strong cash flow necessary as the year moves toward the General Assembly. Churches should pay their registration fee by January 31 each year, or they may choose to make monthly or quarterly payments.
- Those not paying in a timely manner would receive second notices and encouragement to pay.
  - Any churches not paying before General Assembly would be ineligible for sending ruling elder commissioners.
  - Any teaching elders not paying before General Assembly would be ineligible for voting at General Assembly.

- Any churches, teaching elders, or presbyteries not paying by the end of the year would be listed and reported to the Administrative Committee and subsequently to the General Assembly.
- After two years of delinquency in payment, a report would be given to the AC and then to the General Assembly for consideration of appropriate action.
- Ordinarily, the church or ministry employing the teaching elder would pay his fee. Where a teaching elder is laboring outside the bounds for any third party employer, the teaching elder would be responsible for the registration fee, but it would be appropriate for the employer to cover the fee.
- Provision should be made for any legitimate hardship cases. For example, presbyteries or others might pay the registration fee for any church or teaching elder.
- Teaching elders retired or emeritus would not be required to pay any registration fee, but would be eligible to attend and vote at the General Assembly as they wished.

**V. How would the Funds Flow to and from the AC under this Proposed Plan?**

<b>ESTIMATED ANNUAL FUND</b>	
<b>INCOME SOURCES</b>	
<i>Annual Registration Fees</i>	
Church Registration Fees	\$1,800,000
Pastor Registration Fees	\$300,000
<b>TOTAL</b>	<b>\$2,100,000</b>
<i>Earned</i>	
Advertising ( <i>byFaith</i> and PCA Directory)	\$80,000
Exhibitors (General Assembly)	\$70,000
<b>TOTAL</b>	<b>\$150,000</b>
<b>TOTAL INCOME SOURCES</b>	<b>\$2,250,000</b>
<b>EXPENDITURES</b>	
<i>Programs</i>	
Standing Committees	\$300,000
General Assembly	\$500,000
Historical Center	\$120,000
News Office (including <i>byFaith</i> magazine)	\$450,000
Committees & Agencies	\$120,000
Churches & Presbyteries	\$300,000
Statistics & Publications	\$310,000
<b>TOTAL</b>	<b>\$2,100,000</b>
<i>Administration</i>	
Management & General	\$150,000
<b>TOTAL</b>	<b>\$150,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$2,250,000</b>

Note: Presbyteries' Annual Registration Fee would produce an estimated \$35,000 in a designated fund to be used for the Host Committee of General Assembly.