Stated Meeting of the Presbytery of Boston

Hosted by The Korean Church of Boston
32 Harvard Street, Brookline, MA

December 9th, 2019

Meeting Packet

Korean Church of Boston

Proposed Docket
Stated Meeting of the Presbytery of Boston

		Length
6:30	Registration and Fellowship (Light dinner will be served)	30
***7:00**	Call to Order & Declaration of Quorum (Veronica Soto Feliciano) Opening Prayer Call for new business Adoption of agenda Introduction of New Elders Seating of Corresponding Members Welcome from Host Congregation	5
7:05	YAV Report	5
7:10	Matthew 25 Initiative (Rev. Dr. Diane Moffet, Presbyterian Mission Agency Director)	30
7:40	Worship: Offering – Presbyterian Mission Agency; Preaching: Vilmarie Cintron-Olivieri (Co-Moderator of the 224th General Assembly)	40
8:20	Board of Pensions: Carrie Mitchell	10
8:30	Fossil Fuel Divestment Overture (Rob Mark)	10
8:40	Report of the Treasurer (Andrew Parmelee)	10
8:50	Trustees (Thatcher Freeborn)	10
9:00	Budget Task Force/Budget Review (Ivy Turner)	15
9:15	Committee on Mission and Congregations (Katie Cole)	5
9:20	Committee on Ministry (Eric Markman)	5
9:25	Committee on Preparation for Ministry (Kristin Rinehimer)	5
9:35	Report of the Stated Clerk (T. J. DeMarco)	5
9:40	Report of the Resource Presbyter (Cindy Kohlmann)	5
9:45	Report of the Moderator (Veronica Soto Feliciano)	5
	New Business (only if requested at beginning of meeting)	
	Adjourn	
	* ***Denotes Order of the day*** (All other times are guidelines)	

All teaching elders and ruling elders with the privilege of vote are expected to attend all presbytery meetings.

If you have any questions, please feel free to contact the Stated Clerk:
T. J. DeMarco at statedclerk@presbyteryofboston.org or 401-523-7417

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Boston Food Justice Young Adult Volunteers 2019-2020 Program Year Budget

REVENUES	2019-2020	
Program Revenue		% Tot Rev
Church 1 Hartford Street	$5,000.00	6%
Partner 1 Place to Turn	$5,000.00	6%
Church 2 Eliot	$5,000.00	6%
Partner 2	$0.00	0%
Partner 3 BFJ	$5,000.00	6%
Partner 3 CREWE	$0.00	0%
Partner 3 Camp Wilmont	$5,000.00	6%
Church 4	$0.00	0%
Partner 4	$0.00	0%
Church 5	$0.00	0%
Partner 5	$0.00	0%
Church 6	$0.00	0%
Partner 6	$0.00	0%
TOTAL	$25,000.00	32%
Grant Funding		
National YAV Office	$10,000.00	13%
Other Grant	$0.00	0%
Gifts & Contributions		
YAV 1 Support	$4,000.00	5%
YAV 2 Support	$4,000.00	5%
YAV 3 Support	$4,000.00	5%
YAV 4 Support	$2,000.00	3%
YAV 5 Support	$0.00	0%
YAV 6 Support	$0.00	0%
	$14,000.00	18%
Individual Gifts	$7,500.00	9%
Church Gifts	$7,500.00	9%
Denominational Gifts	$0.00	0%
Corporate Gifts	$0.00	0%
Trustee Gift	$15,000.00	19%
TOTAL REVENUES	**$79,000.00**	

ASSUMPTIONS		
Total YAVs	3.00	
Program Fees		
Church	$5,000.00	
Partner	$5,000.00	
National Office Grant per YAV	$2,500.00	
YAV Fundraising Requirement	$4,000.00	
YAV Probability Meeting Goal	100%	
Site Coordinator Hours / Week	20.00	
Site Coordinator Hourly Rate	$22.50	
Number of Weeks Worked	52.00	
Food Justice Educator Hr/Wk	4.00	
FJ Educator Hourly Rate	$20.00	
Number of Weeks in Contract	40.00	
Monthly Rent	$2,600.00	
YAV Monthly Stipend Rate	$450.00	
# Months YAV Stipend Due	11.00	
Monthly Internet	$40.00	
Electricity Usage	0%	**
Gas Usage	0%	**
Electricity Average Mo Rate	$75.00	
Gas Average Mo Rate	$200.00	
PO Box Mo Rental Rate	$11.33	
# Months Diner Days	11.00	
Monthly Cost Per Diner Day	$80.00	
Budget Surplus/Deficit	($6,461)	

** Marked at 0% b/c payment responsibility transferred to the YAVs in conjunction with an increase in their monthly stipend.

Expenses			
Salaries, Benefits, Payroll Tax		% Tot Exp	
Site Coordinator	$23,400.00	27%	
Payroll Tax	$1,790.10	2%	
Contract Services			
Food Justice Educator	$3,200.00	4%	
Program Expenses			
Orientation	$500.00	1%	
Books & Education Expenses	$0.00	0%	
Program Supplies	$0.00	0%	
YAV Stipend	$14,850.00	17%	3 X11
Commuter Rail Supplement	$2,750.00	3%	#$250 per month to supplement travel to Lowell
Travel & Lodging *	$500.00	1%	
Conferences / Retreats*	$800.00	1%	
Internet	$480.00	1%	
Occupancy & Utilities			
Rent	$31,200.00	37%	
Electric	$0.00	0%	
Gas	$0.00	0%	
Food (starting alowance)*	$225.00		
Diner Days*	$880.00	1%	
CSA	$0.00	0%	
Danielson Institute (Psychotherapy Services)	$2,400.00		# 68 weeks of counceling $35 per session cost to program
Fundraising			
Postage	$250.00	0%	
Events	$400.00	0%	
Printing & Design	$200.00	0%	
General & Admin			
Office Supplies	$0.00	0%	
Office Phone	$0.00	0%	
PO Box Rental	$136.00	0%	
Web Site Domain Expense	$0.00	0%	
Board Expenses	$1,500.00	2%	
Other	$0.00	0%	
Total Expenses	**$85,461.10**	100%	
Surplus / Deficit	**-$6,461.10**		
Beginning Cash	**$10,000.00**		
Ending Cash	**$3,538.90**		

Rob Mark

PRESBYTERY OF BOSTON

Fossil Fuel Divestment Overture

Recommendation:

The Presbytery of Boston concurs with the overture of the Hudson River Presbytery to the 224th General Assembly to:

1. Recognize that fossil fuels have been used by humans to create a better world for many people and that the time of their usefulness is now over.
2. Recognize that divestment from fossil fuels is a viable approach to the climate emergency, which thousands of other institutions have used to hold the fossil fuel industry accountable for their inadequate responses to this emergency.
3. Commend Mission Responsibility Through Investment (MRTI) for their ongoing work with shareholder engagement to hold these industries accountable to the just and equitable values that Presbyterians seek to uphold.
4. Call on the PC(USA), The Presbyterian Foundation, the Board of Pensions, and Presbyterian Investment and Loan Program to divest from the fossil fuel industry, using the Carbon Underground 200 and the S&P Global Industry Classification Standard's list of publicly-traded companies engaged in coal, oil and gas exploration, extraction, and production as the criteria to identify which companies are considered to be fossil fuel companies.
5. Proscribe (stop) any new investments in fossil fuel industry securities.
6. Instruct MRTI to correspond through form letter to all fossil fuel companies and presbyteries in which they are headquartered of the action and the theological and moral rationale for this decision.
7. Encourage the Board of Pensions and the Presbyterian Church (U.S.A.) Foundation to actively seek out and invest in securities of companies whose predominant focus is in renewable and/or energy efficiency.
8. Direct MRTI to monitor the Board of Pensions and Presbyterian Foundation on actions to divest/invest and to report to the 225th General Assembly on their progress in implementing recommendations 4-7.

Rationale:

Presbyterians, and all people of faith, are always called to serve the earth. This is God's call for all humanity from the very beginning (Genesis 2:15). While fossil fuels have allowed us to create a better world for many, we now know its impact on creation and future generations is threatening the life we know and cherish. As we confess that failure, we must listen to and engage with the people in frontline communities who are already experiencing climate change, to better understand the human toll climate change has taken and will continue to take on God's children.

Here are just a couple of their voices:

“Every time there's an investment in fossil fuels, we in Africa have never been the winners of that investment. So yes this fight is about climate change but it's about decolonization and survival too.” - Coumba Toure of Trust Africa

“There’s 5.9 hours of sunlight on average every day in Puerto Rico [which is a lot]. But there’s no [infrastructure for] solar or wind. Fossil fuel companies want to make money from oil here—and that’s colonialism.” - Dr. Ediberto Lopez of el Seminario Evangélico de Puerto Rico

Everything else we do as people of faith to rationalize the need for immediate and categorical divestment takes root in this context and the way our church already acts in the rest of the world. To that end, we offer the below rationale for divestment from fossil fuels from frontline communities, according to the science, and in line with previous Presbyterian policy.

We cannot continue to invest in the past while at the same time investing in the future.

Moral Rationale:

Then the LORD said to Cain, "Where is your brother Abel?" "I don't know," he replied. "Am I my brother's keeper?" Genesis 4:9

‘Truly I tell you, just as you did it to one of the least of these who are members of my family, you did it to me.’ Matthew 25:40

“The moral rationale that undergirds the divestment movement is driven by this logic: climate change is harming our planet and many who inhabit it; fossil fuels are a large driver of the climate problem; and alternatives to fossil fuels exist that can provide the core energy requirements of modern societies. Therefore, profiting from products that drive this damage is morally wrong, and divesting from these products is a moral obligation.”[1]

This quotation is from a 2019 statement in favor of divestment by GreenFaith, an international and interfaith environmental nonprofit that has been the lead on faith-based divestment movements. This is the moral foundation of the movement to divest from fossil fuels that has been present in the PCUSA since 2013. This morality is guided by the biblical call that we humans are created by God to serve the earth and other people as a way to love God. We are called to love God with our whole hearts. Where our treasure is there our heart will be also (Matthew 6:21).

We have watched as MRTI has faithfully sat at the table of fossil fuel companies, speaking boldly to companies that have lied to the world about climate change and fossil fuels. Still, their faithful witness has garnered slow promises that do not yet address the suffering and injustice implicit in climate change.

[1] Gary Gardner, for GreenFaith, 2019.

And so, it is our unequivocal commissioning to leave the table and divest from the fossil fuel industry, allowing us to reinvest in renewable energy and climate solutions. In doing so, we live out our chief end "to glorify God and enjoy God forever."[2]

Scientific Rationale:

Human use of fossil fuels has spurred economic and social growth, literally fueling the industrial revolution. However, burning fossil fuels has already raised the average temperature of the earth by 1°C (1.8°F). The latest report from the Intergovernmental Panel on Climate Change[3] (IPCC) shows the extent of the damage we will cause to creation if we allow the earth's temperature to rise by 1.5-2°C, the targets agreed to by all nations of the world under the Paris Agreement of the United Nations Framework Convention on Climate Change[4]. Even at 1.5°C of warming, we can expect to see the extinction of over 300,000 species of animals, have an ice-free Arctic in most summers, expose 14% of people to extreme heat waves (especially in the Global South), expose 250 million people to severe drought, and raise sea levels by at least 1.3 feet.
The increase in global temperature is already causing more frequent heat waves, higher sea levels, more severe droughts, and more frequent heavy rainfall events, resulting in billions of dollars in damage through flooding, wildfires, intense hurricanes, and droughts. These climate disasters have also impacted organisms and ecosystems while reducing crop yields and quality, increasing undernourishment, and damaging human health. Climate change migration is presently a fact of life for people of the Carteret Islands of Papua New Guinea, Shismaref, Alaska, and Isle de Jean Charles, Louisiana--all of whom are preparing to relocate due to the above-mentioned climate change impacts. Sea level rise is projected to reach at least 0.8 feet by the end of 2100 and as much as 6 feet if we do not take significant measures to reduce climate warming.[5]

Knowing we must keep climate to 1.5°- 2°C of warming sets limits to how much fossil fuel can be burned. We have about 10 years after GA 224 to stay within these warming limits. However, the fossil fuel industry's own estimates[6] show that burning the proved reserves of fossil fuels

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[2] Westminster Catechism, question 1.

[3] IPCC, 2018: *Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty* [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)].
https://www.ipcc.ch/site/assets/uploads/sites/2/2019/05/SR15_SPM_version_report_LR.pdf

[4] United Nations Framework Convention on Climate Change 2015. *Report of the Conference of the Parties on its twenty-first session, held in Paris from 30 November to 13 December 2015*.
https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

[5] L. Bamber, Jonathan; Oppenheimer, Michael; E. Kopp, Robert; P. Aspinall, Willy; M. Cooke, Roger 2019. *Proceedings of the National Academy of Sciences*. Ice sheet contributions to future sea-level rise from structured expert judgment. doi:10.1073/pnas.1817205116.

[6] *BP Statistical Review of World Energy 2019*. 68th edition. https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2019-full-report.pdf

will release almost three times the carbon budget at 2°C[7] and an astounding five times the 1.5°C budget – CO_2 that will remain in the atmosphere for hundreds of years. Despite these dire realities, oil and gas production is increasing, and PC(USA)'s money has helped allowed oil and gas companies to spend over $114 Billion in 2017[8] to acquire new deposits of oil and gas that we can't afford to burn.

The fossil fuel industry often places new refineries and petrochemical plants in poor communities of color who lack the resources to stand in the way. This form of environmental racism drives some of the highest rates of cancer and disease in the country. A predominantly African-American South Philadelphia community, for example, surrounds the Philadelphia Energy Solutions (PES) refinery. That plant was already Philadelphia's biggest single air polluter before it recently exploded, sending toxic fumes into the surrounding community of people who cannot afford to move away from them. A 2017 report[9] said the PES complex was responsible for 72 percent of the toxic air emissions in Philadelphia, a major factor in the city's childhood asthma rate, which is more than double the national average, as well as causing a range of other health effects including headaches and cancer.[10] Marathon Oil (one of PCUSA's GA9 investments[11]), which recently spent $1.9 billion to expand their refinery in a Detroit suburb, purchased property from nearby white neighbors in the path of the refinery's pollution clouds, leaving communities of color to suffer.[12]

While we sit at the table trying to convince these companies to change their ways, they continue to perpetuate sins against humans and all creation. We currently profit from these scientific realities and sins against our neighbor. In the face of this climate emergency, we must stand firm in a bold witness with people who have been hurt by the fossil fuel industry--we must divest.

Criteria Rationale:

The criteria this overture calls upon the denomination to use to define which companies are fossil fuel companies, and thereby, which will go on the divestment and proscription list, are of vital importance. The first criterion, the Carbon Underground 200[13], compiled and maintained by

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[7] Richard Heedea and Naomi Oreskes 2016. *Global Environmental Change*. Potential emissions of CO_2 and methane from proved reserves of fossil fuels: An alternative analysis. doi: 10.1016/j.gloenvcha.2015.10.005

[8] Robert Rapier 2018. *Forbes.* Oil Company Spending And Oil Reserves Are On The Rise. https://www.forbes.com/sites/rrapier/2018/07/27/oil-company-spending-and-oil-reserves-are-on-the-rise/#207559c54a31

[9] Lesley Fleischman and Marcus Franklin 2017. *Fumes Across the Fence-Line: The Health Impacts of Air Pollution from oil & Gas Facilities on African American Communities*. http://www.catf.us/wp-content/uploads/2017/11/CATF_Pub_FumesAcrossTheFenceLine.pdf

[10] Frank Kummer 2019. *The Philadelphia Inquirer*. Philadelphia refinery that caught fire is city's biggest single polluter. https://www.inquirer.com/science/climate/philadelphia-refinery-fire-pollution-history-20190624.html

[11] Ibid.

[12] Rich Copely 2019. *Presbyterian News Service.* Investment group meets Detroit residents living in refinery's toxic shadow. https://www.presbyterianmission.org/story/investment-group-meets-detroit-residents-living-in-refinerys-toxic-shadow/

[13] https://fossilfreefunds.org/carbon-underground-200

Fossil Free Indexes℠, identifies the top 100 coal and the top 100 oil and gas publicly-traded reserve holders globally, ranked by the potential carbon emissions content of their reported reserves. This is the approach that has been most commonly used by institutions seeking to divest. By identifying the publicly-traded companies with the largest reserves, divesting from these companies has the most immediate impact.

The second criterion is the S&P Global Industry Classification Standard (GICS®)[14] listing of publicly-traded companies engaged in coal, oil and gas exploration, extraction, and production. The GICS was designed in response to the global financial community's need for accurate, complete and standard industry definitions. The GICS structure consists of 11 Sectors, 24 Industry groups, 69 Industries and 158 sub-industries. Used for financial indices such as the S&P Oil & Gas Exploration & Production Select Industry Index, the GICS Industry categories Oil, Gas & Consumable Fuels (101020) and Energy Equipment & Services (101010) capture the entire industry. Using this criterion prevents proscribing investment in companies selling petroleum products while still profiting from companies engaged in exploration, extraction, and production, such as oil rig producers and independent fracking companies.

The third criterion calls for divestment. The Board of Pensions has consistently argued that they cannot divest without undermining their fiduciary responsibility to pension holders. However, over 1000 institutions – who must also uphold fiduciary responsibility – have already divested, representing over $11 trillion worldwide.[15] *Clearly it is possible (and one might argue necessary) to divest from fossil fuels and still be responsible for the investments of pensioners.*

in 2017 the IPCC reported we have about 10 years after GA 224 to make major changes, including a 45% reduction in CO_2 emissions by 2030 and reaching net-zero emissions by 2050 to stay within 1.5°C of warming[16]. PC(USA)'s Mission Responsibility Through Investment (MRTI) committee currently uses a set of criteria that fail to respond prophetically to the urgency of climate change. MRTI's methodical approach is unnecessarily time consuming when there is little time left to act. MRTI has carefully constructed an evaluation rubric consisting of 20 environmental metrics, 12 social metrics, and 12 governance metrics (with several subcategories in some of these). Such an environmental, social, and governance (ESG) evaluation is the cornerstone of modern socially-responsible investing. GA222 charged MRTI with identifying these metrics in 2016. GA223 approved the metrics and identified an initial list of nine companies to consider, of which only six are oil and gas companies[17]. MRTI *may* deliver a list of proposed divestments to GA224 – six years since GA221 first considered divestment. There is no certainty that MRTI will consider any additional companies post 2020 because such a move would require a mandate from General Assembly. In fact, current MRTI efforts will not even provide a clear idea which of these companies are moving towards a low-carbon future and which are not until 2023, making further significant action unlikely before the 2024 GA226

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[14] S&P Global 2018. *Global Industry Classification Standard.* https://www.spglobal.com/marketintelligence/en/documents/112727-gics-mapbook_2018_v3_letter_digitalspreads.pdf

[15] **https://gofossilfree.org/divestment/commitments/**

[16] Ibid.

[17] Ibid.

meeting[18]. Additionally, the MRTI approach includes no proscription of investment in other fossil fuel companies, so PC(USA) funds divested from one oil company could be reinvested into another. Finally, The MRTI process is too slow to make the changes we need now to protect creation.

PCUSA Policy Rationale:

He has told you, O mortal, what is good; and what does the Lord require of you but to do justice, and to love kindness, and to walk humbly with your God? Micah 6:8

The PC(USA) has a long history of divestment and, in particular, of categorical divestment. The church has divested from five industrial categories – military-related products, tobacco companies, alcohol corporations, gambling businesses, and for-profit prisons. The church has also divested from particular corporations that have contributed to human rights abuses in specific times and places.

In 1984 when the PC(USA) adopted its policy on divestment[19] it provided for "divestment of holdings in a particular firm or class of firms is both part of the normal management of funds and potentially an occasion for Christian witness to God's call for justice and the renewal of society". However, in its implementation of this policy, PC(USA)'s committee on Mission Responsibility Through Investment (MRTI) has developed a policy for divestment from an entire industrial category (class of firms). The paths to categorical divestment and the forms it has taken have thus diverged in each case. Such flexibility has allowed the church to appropriately respond to different industries and the various social and environmental problems each creates.

The 194th General Assembly of the United Presbyterian Church in the USA, for example, instructed the church to divest from corporations involved in military activities. Between 1982 and 1998, the General Assembly refined this industrial category to include (1) the five biggest military contractors to the US government, (2) companies that receive at least 50 percent of their sales from military contracts and are among the 100 highest-earning military contractors, (3) the top five earning companies engaged in foreign military sales, and (4) corporations that produce weapons that can lead to mass civilian casualties. MRTI began recommending these measures after ten years of shareholder engagement.

The General Assembly instructed the church to divest from all tobacco companies in 1990. The overture to divest called upon MRTI to "develop annually a list of corporations 'whose primary business is tobacco and are known as such.'" In 1996, GA directed MRTI to use the Investor Responsibility Research Center, the American Lung Association, and Corporate Campaign, Inc.

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[18]https://www.presbyterianmission.org/story/mrti-shares-first-round-of-general-assembly-environmental-compliance-scores/?utm_source=ActiveCampaign&utm_medium=email&utm_content=Presbyterian+Church+USA+Weekly+News&utm_campaign=Presbyterian+Church+USA+Weekly+News+%7C+Sep+04-10+2019&fbclid=IwAR1GsHB6vEJUlhx_9gGqcWN9Tkrma2U8uBhF410dLP71kt6ly-xnBB3XZqc

[19] Office of General Assemby 1984. The Divestment Strategy: Principles and Criteria. 196th General Assembly Journal, 193-207.

to define what qualifies as a tobacco company. From these guidelines, 21 corporations were identified. MRTI did not conduct any shareholder engagement prior to the GA's decision to divest.

Neither the General Assembly nor MRTI has ever called for divestment from alcohol or gambling corporations. However, the Board of Pensions and the Presbyterian Church (USA) Foundation have their own policies, which govern divesting/proscribing investments in all domestic and international alcohol and gambling corporations.

The GA voted in 2003 to call for the abolition of all for-profit prisons, jails, and detention centers. In 2012, the GA instructed MRTI to "report on the feasibility of affecting the corporate practices of Corrections Corporation of America (CCA), the GEO Group, and any other publicly traded corporation that directly manages or operates for-profit prisons and/or detention centers." MRTI determined, "while efforts could be made through shareholder advocacy (where stock is owned in a publicly traded company), such efforts might improve some prison conditions, but would not address the fundamental contradictions identified by the 215th General Assembly (2003)." The GA therefore voted to divest from all publicly traded for-profit prison companies.

The denomination has chosen to divest from each of these entire industrial categories in the first place because the very nature of these industries has been seen as harmful to the spiritual and biological life of God's creation.

This overture to categorically divest from the fossil fuel industry would take a prophetic stance to protect God's creation and ensure a sustainable energy future for the church and God's world.

Andrew W. Parmelee

PRESBYTERY OF BOSTON

Report of the Treasurer

With this memo you will find the treasurer's income/expense report of Presbytery's operating account through the 3rd quarter along with the mission report of church support for Presbytery during the same period. The second page of the income/expense report has the Trustees' balance sheet of September 30, 2019. Also with this report is the treasurer's income/expense report for the YAV account through the end of the 1st quarter.

Included too are the CPA's reports of the 2018 reviews of the Presbytery's operating account, the Trustees' accounts and the YAV account.

I ask that Presbytery receive these reports into its minutes and records.

Assuming that Presbytery adopts an unfunded budget for 2020, I will present at each Assembly going forward my best assessment of the Operating Fund's expense obligations for the period through the month ending the next Assembly's meeting, and my best idea of anticipated income during the same period, by means of an Operating Fund Cash Flow Worksheet. If the Operating Fund is not expected to carry a positive balance through and/or at the end of the future period, I will need Presbytery's authority to seek support from Presbytery's other assets to meet its current obligations. Without such authority Presbytery's obligations will not be met.

I am not presenting such a report from now through the end of March 2020 with the docket and packet of reports and materials for this December 9 meeting. The Operating Fund books for the end of October are, as of the date of this writing (November 25, 2019), not yet fully closed. The November books will not be closed by the December 9 meeting, but even so I should have a fair idea as to the Operating Fund's balance on November 30 just prior to the meeting in December. That figure will be the starting balance of the Operating Fund Cash Flow Worksheet I will present at the meeting in two weeks through the period ending the 1st quarter of 2020. At this moment I do suspect I will need to ask Presbytery's approval for seeking additional support for the Operating Fund elsewhere.

If you have any questions concerning these reports please ask them at the meeting on Monday evening or contact me by phone at 617-967-0430 or by email at awparmelee@comcast.net anytime.

Presbytery of Boston

Per Capita and Mission Budget for 2019	*Budget*		*Actual - September 30, 2019*	
***I. Per Capita* and Mission Resources:**	**2019**	% Budget	**2019**	% Budget
1) Member Church *Per Capita* (formerly Unified Mission)	$ 115,640	47.1%	$ 60,096	52.0%
2) Transfer from Trustee Funds - Mission Awards, Grants, Loans	$ 10,000	4.1%	$ 15,000	150.0%
3) Transfer from Fort Square Settlement Proceeds	$ 58,003	23.6%	$ 35,000	60.3%
4) Transfer from Trustee Funds (5 Yr Rolling Avg of Interest Income)	$ 991	0.4%	$ 991	100.0%
5) YAV Payroll Support	$ 12,315	5.0%	$ 14,974	121.6%
6) Individual Gifts	$ 8,000	3.3%	$ 3,095	38.7%
7) Unrestricted-Shared Mission	$ 35,000	14.2%	$ 15,721	44.9%
8) Designated/Directed Mission	$ 500	0.2%	$ 4,107	821.4%
9) Presbytery Loose Offering	$ 5,300	2.2%	$ 504	9.5%
RESOURCES Total:	**$ 245,749**	100.0%	**$ 149,488**	60.8%

Balances		
Checking	$	26,308
Savings	$	227
9/30/19	**$**	**26,535**

II. Per Capita and Mission Disbursements:	**2019**	% Budget	**2019**	% Budget
A. Congregational Mission Programs	**$ 15,250**	6.2%	**$ 15,000**	6.1%
1) POB Shared Mission Programs	$ 10,000	4.1%		0.0%
2) First UP, Cambridge	$ -	0.0%	$ 15,000	0.0%
3) Church of the Covenant (Funded by I2)	$ -	0.0%		0.0%
4) Shekinah Fellowship	$ -	0.0%		0.0%
5) The Presbyterian Church, Clinton	$ -	0.0%		0.0%
6) Christaller Presbyterian Fellowship	$ -	0.0%		0.0%
7) Grants - Restricted (from Trustee Funds - Funded by I2	$ 5,000	2.0%		0.0%
8) Korean Church of Boston (Funded by I2)	$ -	0.0%		0.0%
9) DesignatedDirected Missions - Funded by I8	$ 250	0.0%		0.0%
B. Other Mission Programs	**$ 20,550**	8.4%	**$ 5,107**	24.9%
1) PoB Shared Mission Programs	$ 10,000	4.1%		0.0%
2) MA Council of Churches	$ -	0.0%	$ 1,000	0.0%
3) Presbyterian Disaster Assistance - Regional Hurricanes	$ -	0.0%		0.0%
4) Young Adult Volunteers	$ -	0.0%		0.0%
5) Mission to the Congo	$ -	0.0%		0.0%
6) Immigration Response Task Force	$ -	0.0%		0.0%
7) Northeast Ecumenical Stewardship Council	$ -	0.0%		0.0%
8) PC(USA) - Youth Connection and Youth Triennium	$ -	0.0%		0.0%
9) Presbytery Loose Offering (other - Funded by I9))	$ 5,300	0.0%		0.0%
10) Designated/Directed Mission (other- Funded by I8)	$ 250	0.0%	$ 4,107	1642.8%
11) Community Day Care of Waltham	$ -	0.0%		0.0%
12) Grants - Restricted (from Trustee Funds - Funded by I2	$ 5,000	0.0%		0.0%
C. Presbytery Staff, Officer and Office Expenses	**$ 175,451**	71.4%	**$ 127,434**	72.6%
1) Moderator of Presbytery - Expenses	$ 1,200	0.5%		0.0%
2) Treasurer - Salary	$ 20,400	8.3%	$ 15,300	75.0%
3) Treasurer - Related Expenses (Office and FICA)	$ 5,000	2.0%	$ 2,494	49.9%
4) Stated Clerk - Salary	$ 30,274	12.3%	$ 22,706	75.0%
5) Stated Clerk - Related Expenses (FICA, Travel & Office, 403b)	$ 8,203	3.3%	$ 5,308	64.7%
6) Recording Clerk - Stipend	$ 674	0.3%	$ 674	0.0%
7) Audit Expenses	$ 4,500	1.8%		0.0%
8) Resource Presbyter - Salary and Offset	$ 39,902	16.2%	$ 29,927	75.0%
9) RP - Reimbursable Exps (CE, Mileage, Meals, Phone) & D&D, Pension	$ 10,788	4.4%	$ 6,962	64.5%
10) Insurances and phone services	$ 3,300	1.3%	$ 4,578	138.7%
11) Communications Coordinatoer - Salary	$ 30,000	12.2%	$ 22,500	75.0%
12) Communications Coordinator - Related Exps (FICA, Benefits, Exps)	$ 8,295	3.4%	$ 1,861	22.4%
13) YAV Site Coordinator - Salary	$ 11,440	4.7%	$ 13,910	121.6%
14) YAV Site Coordinator - Related Expenses (FICA)	$ 875	0.4%	$ 1,064	121.6%
15) PoB Web Site Support and Training	$ 100	0.0%	$ 150	150.0%
16) Staff Conferences	$ 500	0.2%		0.0%
D. Presbytery Committees	**$ 7,550**	3.1%	**$ 3,117**	41.3%
1) Presbytery Council/Training and Development	$ 300	0.1%		0.0%
2) Committee on Preparation for Ministry	$ 3,000	1.2%	$ 1,575	52.5%
3) Committee on Ministry	$ 4,000	1.6%	$ 1,542	38.6%
4) Committee Resources (Pders, COR, Nom)	$ -	0.0%		0.0%
5) Permanent Judicial Commission	$ 250	0.1%		0.0%
E. GA and Synod Per Capita and Connectional Expenses	**$ 26,948**	11.0%	**$ 26,948**	100.0%
1) Connectional Support to General Assembly and The Synod of the NE	$ 26,948	11.0%	$ 26,948	100.0%
2) POB - General Assembly 2020 Expenses	$ -	0.0%		0.0%
DISBURSEMENTS Total:	**$ 245,749**	100.0%	**$ 177,606**	72.3%

Funds		
Operating	$	(26,674)
Invest Inc	$	-
Peace Offer	$	1,491
PJC	$	500
Youth Tri.	$	3,371
Pentecost	$	731
PC Conf	$	4,283
Pastor's Dev	$	6,944
Presb. Day	$	543
Abbey Bos.	$	1,124
CHRA	$	540
TTLDev	$	20,505
PDA	$	350
GA 2020	$	-
Confirm Con	$	12,300
PLC Fund	$	1,526
	$	**27,535**

Other Income		
Investment	$	-
Grants	$	10,110
Funds Crs.	$	1,527
Oper. Crs.	$	3,143
	$	**14,780**

Other Disbursements		
Funds Disb	$	1,788
PMFL	$	(113)
Oper Disb	$	7,287
Grants	$	10,110
	$	**19,072**

2019 *Per Capita* Apportionment: GA $ 8.95; Synod $ 4.10; @ 2,065members

Presbytery of Boston - Board of Trustees Funds

Actual - September 30, 2019

Restricteed Cash, Investments and Loans	**Market Value**
Cash	$ 14,700.35
Savings	$ 113,753.53
PILP Investment Mission Money Fund	$ 320,000.00
(Note: $200,000 from the EBF-Cont. Educ. fixed principal balance and $120,000 from The Lynn Redev. Fd.-Minimum Permanent Fund)	
Charles Schwab & Co., Inc. (Cost Value - $ 650,000)	
Investments Long	$ 1,081,365.89
Cash	$ 8.08
Operating Loans	
Worcester	$ 9,227.29
Investment Loans	
WCHR	$ 50,000.00
BCLP	$ 25,000.00
	$ 1,614,055.14

Restricted Funds	
Trustee Fund - Loans to Churches	$ 9,227.29
Trustee Fund - Restricted Operating	$ 204,800.38
Kneeland Fund - Regular	$ 4,554.88
Kneeland Fund - Special	$ 1,341.66
Presbytery Congregational Development Fund	$ 41,275.75
Minister's Emergency Fund	$ 28,319.96
John Gilchrist Fund	$ 21,745.24
The Robie Fund ($ 40,000 minimum permanent fund)	$ 61,272.80
The Lynn Redevelopment Fund ($ 174,545 minimum permanent fund)	$ 292,030.08
Roxbury Presbyterian Church Reserve Fund	$ 20,000.00
East Boston Funds	
Continuing Education ($ 200,000 minimum permanent fund)	$ 253,154.04
Equity Sharing	$ 296,493.65
Missions	$ 96,170.10
Elizabeth Pultz Fund	$ 8,293.92
Ft. Square Fund	$ 115,920.55
Waltham Fund	$ 125.00
Undistributed Accrued Income	$ 3,752.50
Change in Value of Investments (decrease in value distributed 12-31-18)	$ 124,448.08
Agnes Young Fund	$ 31,129.26
	$ 1,614,055.14

Mission Statement of the Presbytery of Boston

As we seek to be faithful witnesses to Christ in loving service together, the Presbytery of Boston will support the "Great Ends of the Church" by:

1) Strengthening and growing the congregations of the presbytery by providing guidance and resources for their ministries and by encouraging partnerships.
2) Engaging in presbytery-unifying activities of peace, justice and kindness, evangelism and witness.
3) Providing pastoral care for ministers and their families.

2019 Per Capita **Apportiionment and** *Member Church Mission Pledges and Gifts*										**YTD - September 30**					
	Per Capita	***Ind***	***Per Capita***	**Presbytery**	**Desigated**	**2018**	**2018**	**Total**	**Synod**	**Total**	**GA**	**Total**
CHURCH	***Share***	***Gifts***	**PAID**	**Mission**	**Mission**	***Per Capita***	**UR Miss**	**Presbytery**	**Pledge**	**Synod**	**Pledge**	**GA**
Covenant	***$ 2,968***			**$ 4,200**				**$ 7,168**				
			$ 1,484	$ 2,100				$ 3,584				
Fourth	***$ 9,128***											
Hyde Park	***$ 2,576***											
			$ 1,800					$ 1,800				
Pr Iglesia	***$ 3,696***											
Roxbury	***$ 7,056***											
Brookline	***$ 3,528***											
			$ 3,528	$ 472				$ 4,000				
Korean	***$ 18,312***											
			$ 7,940					$ 7,940				
TPCGB	***$ 2,240***			***$ 2,500***				**$ 4,740**				
			$ 2,240				$ 3,500	$ 5,740				
Burlington	***$ 7,000***			**$ 10,000**				**$ 17,000**				
			$ 4,668	$ 6,666				$ 11,334				
Cambridg	***$ 2,912***											
			$ 1,500					$ 1,500				
Clinton	***$ 3,304***											
			$ 1,926					$ 1,926				
Good Shp	***$ 4,648***											
			$ 3,100					$ 3,100				
Natick	***$ 7,000***											
			$ 7,000	$ 1,000				$ 8,000				
Needham	***$ 4,144***											
			$ 3,107					$ 3,107				
Newton	***$ 2,464***											
			$ 4,200					$ 4,200				
F Quincy	***$ 8,456***											
			$ 5,640					$ 5,640				
YngSang	***$ 4,032***											
Somerv'l	***$ 2,016***											
			$ 2,016					$ 2,016				
Sudbury	***$ 8,680***											
			$ 4,340	$ 1,233				$ 5,573				
Waltham	***$ 672***											
Whitinsv'l	***$ 5,152***											
			$ 2,750	$ 750				$ 3,500				
Worcester	***$ 5,712***											
			$ 2,856					$ 2,856				
Ind Gifts		**$ 3,000**										
		$ 3,095										
Total PC	***$ 115,696***											
Total	***$ 115,696***		**N/A**	**$ 16,700**	**$ -**	**N/A**	**N/A**	**$ 132,396**				
Total Rec			$ 60,095	$ 12,221	$ -	$ -	$ 3,500	$ 75,816				
Affirmed	**$ 15,512**							$ 75,816				
%Rec			52%	73%								
		Light $ = Paid		**Bold $ = Pledged**								

Presbytery of Boston - BFJYAV

Budget for FY 2019 and PY 2019-2020	*Budget*	*Actual*	*Actual*	*Actual*	*2019 Balances and Cash Flow*		
I. Income - All Sources	**PY '19-'20**	**FY '19**	**PY '19-'20**	**September '19**			
1) YAV Support							
- Cecilia Roseo		$ 1,000					
- Mara Chamlee		$ 405		$ 200			
- Rebekah Woodburn		$ 2,100					
- Sierra Mink		$ 2,973		$ 675	*Balances*		
					Checking	$	12,296
					Savings	$	7,523
2) Grants					*9/30/2019*	$	19,819
- National YAV Office Grant		$ 10,110					
- Presbytery Restricted Grant					*01/01/19*	$	9,879
- New England PPG Grant/Synod					Income	$	39,260
- Presbyterian Hunger Program					Disbursements	$	(29,320)
- Other Grant Support					*9/30/2019*	$	19,819
3) Partner Agency and Church Commitments							
- Hartford Street Presbyterian Church		$ 1,000		$ 1,000			
- A Place to Turn, Natick		$ 1,500		$ 1,500	*Funds*		
- Fourth Presbyterian Church					Inv. Income	$	23
- Camp Wilmont					Operating Fund	$	19,796
- Eliot Presbyterian Church		$ 1,250		$ 1,250	*9/30/2019*	$	19,819
- Living Waters							
- Boston Faith & Justice Network					*Other Income*		
- Better Futures Project, CREW					Investment	$	1
					Operating Cr	$	560
- Church Gifts		$ 3,904		$ 1,954	*9/30/2019*	$	561
- Individual Gifts		$ 7,833		$ 2,700			
- EFT Deposits		$ 6,329		$ 1,441	*Other Disburse*		
- Presbytery of Boston		$ 294			Operating Disb	$	250
- Fundraising					*9/30/2019*	$	250
- Trtustee Match Program 2019 (Qual Inc $ 9,993)							
RESOURCES Total:	**$ -**	**$ 38,698**	**$ -**	**$ 10,720**			

	Budget	Actual	Actual	Actual
II. Disbursements	**PY '19-'20**	**FY '19**	**PY '19 -'20**	**September**
A. Personnel	**$ -**	**$ 19,084**	**$ -**	**$ 4,409**
1) YAV Stipend		$ 3,150		$ 1,350
2) Annual Payroll Tax		$ 1,064		$ 149
3) Site Coordinator (through PoB payroll)		$ 13,910		$ 1,950
4) Food Justice Educator		$ 960		$ 960
B. Living Costs	**$ -**	**$ 8,186**	**$ -**	**$ 2,646**
1) Rent		$ 7,800		$ 2,600
2) Utilities (heat, electricity)		$ 46		$ 46
3) "T" Pass		$ 340		
C. Program Costs	**$ -**	**$ 300**	**$ -**	**$ -**
1) Orientation		$ 300		
2) Conference/Retreats				
3) Internet				
4) Dinner Days				
5) Travel and Lodging				
D. Administrative	**$ -**	**$ 1,500**	**$ -**	**$ -**
1) Post Office Box Rental				
2) Board Expense		$ 1,500		
E. Fundraising	**$ -**	**$ -**	**$ -**	**$ -**
1) Postage				
2) Events				
3) Postage and Design				
DISBURSEMENTS Total:	**$ -**	**$ 29,070**	**$ -**	**$ 7,055**

N.B. The actual figures for the program year are provided as general information only. They are not reconciled to the general ledger.

PRESBYTERY OF BOSTON
OPERATING ACCOUNT
REVIEW OF FINANCIAL STATEMENTS – CASH BASIS
DECEMBER 31, 2018

PRESBYTERY OF BOSTON
OPERATING ACCOUNT
REVIEW OF FINANCIAL STATEMENTS – CASH BASIS
DECEMBER 31, 2018

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Michael J. Raymond
Certified Public Accountant

The Board of Trustees of
Presbytery of Boston
169A Chestnut Street
Clinton, Massachusetts 01510-3610

Independent Accountant's Review Report

I have reviewed the accompanying financial statements of the Operating Account — cash basis of Presbytery of Boston (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets — cash basis as of December 31, 2018, the related statement of revenues, expenses, and other changes in net assets — cash basis and the related statement of cash flows – cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

90 Rockland Street, Unit 1 Hanover, MA 02339 Tel: (781) 829-4200 Fax (781) 829-9472

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My conclusion is not modified with respect to this matter.

Michael J. Raymond
Certified Public Accountant

Hanover, Massachusetts
September 10, 2019

PRESBYTERY OF BOSTON
OPERATING ACCOUNT
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS	
Cash	$ 58,947
TOTAL CURRENT ASSETS	58,947
PROPERTY AND EQUIPMENT	
Land	125,000
NET PROPERTY AND EQUIPMENT	125,000
TOTAL ASSETS	$ 183,947

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES	$ -
NET ASSETS	
WITHOUT DONOR RESTRICTIONS	129,474
WITH DONOR RESTRICTIONS	54,473
TOTAL NET ASSETS	183,947
TOTAL LIABILITIES AND NET ASSETS	$ 183,947

The accompanying independent accountant's review report and notes are an integral part of the financial statements.

PRESBYTERY OF BOSTON
OPERATING ACCOUNT
STATEMENT OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Member Church Pledges	$ 141,891	$ -	$ 141,891
Individual Gifts/Directed Mission	7,540	2,650	10,190
Investment/Interest Income	3	-	3
Grants	-	18,375	18,375
Operating Credits/Funds Credits	-	25,609	25,609
Loose Offering	-	4,168	4,168
Transers and Rent	30,259	14,925	45,184
YAV Board Contribution	-	22,578	22,578
Total Reveneues, Gains, and Other Support	179,693	88,305	267,998
Expenses			
Per Capita - GA & Synod	29,483	-	29,483
Congregational Missions Programs	200	14,925	15,125
Other Mission Programs	-	8,318	8,318
Pres Staff, Officers & Office Expense	176,644	-	176,644
Presbytery Committees	6,099	-	6,099
Operating Disb./Approved Causes	11,065	-	11,065
Grants/Directed Mission	-	8,301	8,301
Loose Offering/Funds Disbursement	-	25,136	25,136
Total Expenses	223,491	56,680	280,171
Increase (Decrease) In Net Assets	(43,798)	31,625	(12,173)
Fund Transfer	33,205	(33,205)	-
Beginning Net Assets	140,067	56,053	196,120
Ending Net Assets	$ 129,474	$ 54,473	$ 183,947

The accompanying independent accountant's review report and notes are integral part of the financial statements.

PRESBYTERY OF BOSTON
OPERATING ACCOUNT
STATEMENT OF CASH FLOWS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$	(12,173)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		(12,173)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		-
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES		-
NET INCREASE (DECREASE) IN CASH	$	(12,173)
CASH JANUARY 1, 2018		71,120
CASH DECEMBER 31, 2018	$	58,947

The accompanying independent accountant's review report and notes are an integral part of the financial statements.

PRESBYTERY OF BOSTON
OPERATING ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Presbytery of Boston (the Presbytery) was incorporated under the General Laws of the Commonwealth of Massachusetts on May 17, 1888. The Presbytery is a corporate expression of the Presbyterian Church (U.S.A.), consisting of all the churches and ministers Word and Sacrament within the bounds of the Presbytery. As a governing body of church, it is responsible for the mission and government of the church throughout its geographical district. The purpose of the Operating Account is to account for and report all income and expenditures that apply to a particular year's budget that the Presbytery of Boston voted upon. The Operating Account has income (Unified Mission Resources) and expenditures (Unified Mission Disbursements) that are budgeted for the year. All income and disbursements are allocated to a particular line item that makes up the operating budget.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-For-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization

Net assets with donor restrictions: Net assets subject to stipulations imposed by the donor.

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as without donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Presbytery received services donated by its members in carrying out its responsibilities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made.*

Income Taxes

The Presbytery is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for income taxes in the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these financial instruments.

PRESBYTERY OF BOSTON
OPERATING ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 2) Property

Property consists of land located at 701 Foundry Street, Easton, Massachusetts, bought on September 26, 1994 for $125,000. The purpose of the purchase was to assist Good Shepherd Presbyterian Church to construct a church building on the site.

Note 3) Availability of and Liquidity

The following represents the Organizations financial assets at December 31, 2018:

Financial assets at year end:	2018
Cash and cash equivalents	$ 58,947
Total financial assets available within one year	$ 58,947

Note 4) Functional Allocation of Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the Statement of Revenues, Expenses and Other Changes in Net Assets-Cash Basis.

Note 5) Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2018

Peace Offering	$ 1,491
Pentecost Offering	731
Confirmation Connection	13,300
Permanent Judicial Commission Fund	500
Presbyterian Disaster Assistance	350
Youth Triennium/Connection	3,371
Transformation through Leadership Dev	21,114
Presbyterian Church (USA) Conferences Fund	4,464
Presbytery Day Fund	543
Abbey Boston Fund	1,124
Pastor's Development Fund	6,944
Christaller Health	541
Total Net Assets with Donor Restrictions	$ 54,473

Note 6) Related Party

The Operating Fund Account received a reimbursement of $22,578 for payroll personnel costs from the YAV account or the year ended December 31, 2018

Note 7) Subsequent Events

Management has evaluated subsequent events through September 10, 2019, the date which financial statements were available for use.

PRESBYTERY OF BOSTON
TRUSTEES ACCOUNT
REVIEW OF FINANCIAL STATEMENTS – MODIFIED CASH BASIS
DECEMBER 31, 2018

PRESBYTERY OF BOSTON
TRUSTEES ACCOUNT
REVIEW OF FINANCIAL STATEMENTS – MODIFIED CASH BASIS
DECEMBER 31, 2018

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Michael J. Raymond
Certified Public Accountant

The Board of Trustees of
Presbytery of Boston
169A Chestnut Street
Clinton, Massachusetts 01510-3610

Independent Accountant's Review Report

I have reviewed the accompanying financial statements of the Trustees Account—modified cash basis of Presbytery of Boston (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2018, the related statement of revenues, expenses, and other changes in net assets—modified cash basis for the year then ended and the related statement of cash flows – modified cash basis, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

90 Rockland Street, Unit 1 Hanover, MA 02339 Tel: (781) 829-4200 Fax (781) 829-9472

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My conclusion is not modified with respect to this matter.

Michael J. Raymond
Certified Public Accountant

Hanover, Massachusetts
September 10, 2019

PRESBYTERY OF BOSTON
TRUSTEES ACCOUNT
STATEMENT OF ASSETS, LIABILITES AND
NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS		
Cash	$ 233,109	
Mission money market fund	320,000	
Loans receivable	26,276	
TOTAL CURRENT ASSETS		$ 579,385
OTHER ASSETS		
Investments - long term	906,925	
Loans receivable - non-current	58,905	
TOTAL OTHER ASSETS		965,830
TOTAL ASSETS		$ 1,545,215

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES		$ -
NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Current operation fund	$ 203,868	
Loan fund	10,181	
TOTAL WITHOUT DONOR RESTRICTIONS		214,049
WITH DONOR RESTRICTIONS		1,331,166
TOTAL LIABILITIES AND NET ASSETS		$ 1,545,215

The accompanying independent accountant's review report and notes are an integral part of these financial statements.

PRESBYTERY OF BOSTON
TRUSTEES ACCOUNT
STATEMENT OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions			
	Current	Loan Fund	With Donor Restrictions	Total
Revenue				
Investment income(Loss)	$ (9,178)	$ -	$ (55,074)	$ (64,252)
Interest income	-	918	-	918
Offerings		-	85,851	85,851
Total Revenues	(9,178)	918	30,777	22,517
Expenses				
Waltham Fund			38,388	38,388
Fort Square to Operating Budget			28,808	28,808
Ministers' Emergency Fund	-	-	1,500	1,500
East Boston Funds disbursements			15,020	15,020
Transfer to Unified Mission Resources	1,451	-	-	1,451
Lynn Redevelopment Fund Disbursements	-	-	5,000	5,000
Total Expenses	1,451	-	88,716	90,167
Increase (Decrease) In Net Assets	(10,629)	918	(57,939)	(67,650)
Fund Transfer	918	(918)	-	-
Loans Repaid Net	4,483	(4,483)	-	-
Fund Transfer			\	
Beginning Net Assets	209,096	14,664	1,389,105	1,612,865
Ending Net Assets	$ 203,868	$ 10,181	$ 1,331,166	$ 1,545,215

The accompanying independent accountant's review report and notes are an integral part of these financial statements.

PRESBYTERY OF BOSTON
TRUSTEES ACCOUNT
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (67,650)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Loan receivable	4,483
Realized losses on investments	79,837
Net unrealized gain on investments	(49,195)
TOTAL ADJUSTMENTS	35,125
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(32,525)
CASH FLOWS FROM INVESTING ACTIVITIES	
Transfer of Operating funds to Investments	100,000
Purchase of investments, net	(164,156)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(64,156)
CASH FLOWS PROVIDED (USED) FROM FINANCING ACTIVITIES	
NET INCREASE (DECREASE) IN CASH	$ (96,681)
CASH JANUARY 1, 2018	329,790
CASH DECEMBER 31, 2018	$ 233,109

The accompanying independent accountant's review report and notes are an integral part of these financial statements.

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Presbytery of Boston (the Presbytery) was incorporated under the General Laws of the Commonwealth of Massachusetts on May 17, 1888. The Presbytery is a corporate expression of the Presbyterian Church (U.S.A.), consisting of all the churches and ministers Word and Sacrament within the bounds of the Presbytery. As a governing body of church, it is responsible for the mission and government of the church throughout its geographical district. The purpose of the Trustees Account is to account for and report all income and expenditures on the funds that the Trustees hold in unrestricted, restricted or loan funds. Some funds are donor restricted and others are board restricted. The funds are available upon the direction of a particular committee or a vote of the Trustees.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-For-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred and investments are recognized at fair value.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization

Net assets with donor restrictions: Net assets subject to stipulations imposed by the donor.

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(continued)

Basis of Presentation-(continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Presbytery received services donated by its members in carrying out its responsibilities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made.*

Income Taxes

The Presbytery is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for income taxes in the accompanying financial statements.

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these financial instruments.

Note 2) Availability of and Liquidity

The following represents the Organizations financial assets at December 31, 2018:

Financial assets at year end:	2018
Cash and cash equivalents	$ 233,109

Note 3) Functional Allocation of Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the Statement of Revenues, Expenses and other changes in net assets-cash basis.

Note 4) Investments

The Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Unrestricted and restricted funds are invested in a well-diversified asset mix, which includes cash, mutual funds - equity, alternative investments, and fixed income that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity. The spending policy is to reinvest earnings for growth.

The investment fund is made up of the funds below and cash equivalents of $9 not shown below. At December 31, 2018, fair value and unrealized appreciation are summarized as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds - Equity	754,646	696,465	(58,181)
Alternative Investments	42,255	24,768	(17,487)
Fixed Income	198,178	185,684	(12,494)
	$ 995,079	$ 906,917	$ (88,162)

Note 4) Investments-(continued)

The following summarizes the investment return, including cash equivalents, and its classification in the statements of activities.

For the Year Ended December 31:		2018
Balance at Beginning of Year	$	873,418
Income, Net of Fees		64,168
Funds transferred		100,000
Realized Gains (Losses)		2,217
Net Unrealized Gains (Losses)		(132,877)
Balance at End of Year	$	906,926

Income is shown net of investment related fees of $-0- for the year end December 31, 2018

Note 5) Loan Receivable

At December 31, 2018, the loans receivable were comprised of the following:

First Presbyterian Church of Worcester 3% Per annum, maturity date 12/01/26	$10,181
First Presbyterian Church of Worcester 5% per annum, maturity date 06/01/18	-
Worcester Community Housing Resources, Inc. 2% per annum, maturity date 04/15/20	50,000
Boston Community Loan Fund, Inc. 2% per annum, maturity date 06/30/19	25,000
Total Loans Receivable	85,181
Less: current portion	(26,276)
Long Term Loans Receivable	$58,905

Note 6) Obligations Under Guarantees

The Presbytery of Boston is liable as an unsecured guarantor of a mortgage loan from the Presbyterian Church (U.S.A) to The Korean Church of Boston, PC (U.S.A.). As of December 31, 2018, the outstanding balance on the loan totaled $1,341,138, which matures on December 1, 2027.

The Presbytery of Boston is liable as an unsecured guarantor of a mortgage loan from the Presbyterian Church (U.S.A.) to The Roxbury Presbyterian Church. As of December 31, 2018, the outstanding balance on the loan totaled $233,392 which matures on October 1, 2026.

The Presbytery of Boston has guaranteed construction and renovation loans for several associated Presbytery churches. The original guarantee total was 1,267,000. As of December 31, 2018, the outstanding balance on the loans total $553,149.

At December 31, 2018, the organization has $320,000 in a mission money market fund with an interest rate of 1%.

Note 7) Fair Value Measurements

Fair values of assets of the investment fund (see Note 4) measured on a recurring basis at December 31, 2018 are as follows:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)
December 31, 2018		
Mutual Funds – Equity	$ 696,465	$ 696,465
Alternative Investments	24,768	24,768
Fixed Income	185,684	185,684
Total	$ 906,917	$ 906,917

Note 8) Net Assets

Net Assets with Donor Restrictions

The Organization classifies net assets with donor restrictions into two categories of temporarily restricted by board and donors.

Net assets with restrictions consisted of the following at December 31, 2018

Presbytery Congregational Dev. Fund	$ 41,276	
Ministers Emergency Fund	27,331	
John Gilchrist Fund	21,745	
Roxbury Pres. Ch. Reserve Fund	20,000	
Fort Square Fund	150,920	
East Boston Church Fund		
Continuing Education	253,154	
Equity Sharing	296,494	
Missions	96,170	
Kneeland Fund – Regular	4,555	
Kneeland Fund – Special	1,342	
Elizabeth Pultz Fund	7,556	
The Robie Fund	61,273	
The Lynn Redevelopment Fund	307,030	
Waltham Fund	11,191	
Agnes Young Fund	31,129	
Total Net Assets with Donor Restrictions		$1,331,166

The Fort Square Fund was established in 2016 by a settlement with a congregation and is included in Offerings. The Presbytery is currently studying potential uses of these funds and the funds are shown as temporarily restricted.

All appropriations for expenditures are reviewed and approved by the Presbytery before funds are released.

Note 9) Subsequent events

Management has evaluated subsequent events through September 10, 2019, the date which the financial statements were available for use.

PRESBYTERY OF BOSTON
YOUNG ADULT VOLUNTEERS ACCOUNT
REVIEW OF FINANCIAL STATEMENTS – CASH BASIS
DECEMBER 31, 2018

PRESBYTERY OF BOSTON
YOUNG ADULT VOLUNTEERS ACCOUNT
REVIEW OF FINANCIAL STATEMENTS - CASH BASIS
DECEMBER 31, 2018

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Michael J. Raymond
Certified Public Accountant

The Board of Young Adult Volunteers of
Presbytery of Boston
169A Chestnut Street
Clinton, Massachusetts 01510-3610

Independent Accountant's Review Report

I have reviewed the accompanying financial statements of the Young Adult Volunteers Account - cash basis of Presbytery of Boston (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - cash basis as of December 31, 2018, the related statement of revenues, expenses, and other changes in net assets - cash basis and the related statement of cash flows – cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

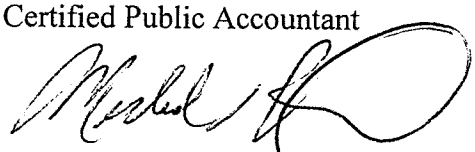
Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

90 Rockland Street, Unit 1 Hanover, MA 02339 Tel: (781) 829-4200 Fax (781) 829-9472

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My conclusion is not modified with respect to this matter.

Michael J. Raymond
Certified Public Accountant



Hanover, Massachusetts
September 10, 2019

PRESBYTERY OF BOSTON
YOUNG ADULT VOLUNTEERS ACCOUNT
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS	
Cash	$ 9,879
TOTAL CURRENT ASSETS	9,879
TOTAL ASSETS	$ 9,879

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES	$ -
NET ASSETS	
WITHOUT DONOR RESTRICTONS	9,879
WITH DONOR RESTRICTIONS	
TOTAL NET ASSETS	9,879
TOTAL LIABILITIES AND NET ASSETS	$ 9,879

The accompanying independent accountant's review report and notes are an integral part of the financial statements.

PRESBYTERY OF BOSTON
YOUNG ADULT VOLUNTEERS ACCOUNT
STATEMENT OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Individual YAV Support	$ 2,425	$ -	$ 2,425
Partner Agency & Church Support	13,123	-	13,123
Investment/Interest Income	3	-	3
National YAV Office Grant	801	-	801
Door Network	2,900	-	2,900
Individuals & Church Donations	500	-	500
Presbytery of Boston Loose Offering	500	-	500
Cash Contribution from POB for Operating Funds	2,225	-	2,225
Total Reveneues, Gains, and Other Support	22,477	-	22,477
Expenses			
Personnel	35,177	-	35,177
Living Expenses	14,884	-	14,884
Program Costs	2,548	-	2,548
Other Expenses	2,935	-	2,935
Total Expenses	55,544	-	55,544
Increase (Decrease) In Net Assets	(33,067)	-	(33,067)
Beginning Net Assets	42,946	-	42,946
Ending Net Assets	$ 9,879	$ -	$ 9,879

The accompanying independent accountant's review report and notes are an integral part of the financial statements.

PRESBYTERY OF BOSTON
YOUNG ADULT VOLUNTEERS ACCOUNT
STATEMENT OF CASH FLOWS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$	(33,067)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		(33,067)
CASH FLOWS PROVIDED (USED) FROM INVESTING ACTIVITIES		-
CASH FLOWS PROVIDED (USED) FROM FINANCING ACTIVITIES		-
NET INCREASE (DECREASE) IN CASH	$	(33,067)
CASH JANUARY 1, 2018		42,946
CASH DECEMBER 31, 2018	$	9,879

The accompanying independent accountant's review report and notes are an integral part of the financial statements.

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Presbytery of Boston Young Adult Volunteers (YAV) Account was established on October 1, 2013. The purpose of the Young Adult Volunteers Account program is to cultivate spiritual growth, vocational discernment and leadership development in the Young Adult Volunteers, and to offer social and congregational transformation around the mission of securing healthy and sustainable food for all people. The program is accountable to the Presbytery of Boston and its site coordinator is a Presbytery employee. The YAV Board is made up of volunteers from four different congregations of the Presbytery, but a number of other church members are involved as site partners, fundraisers and friends of the program. The YAV Account has income and expenditures that are budgeted for the year. All income and disbursements are allocated to a particular line item that makes up the YAV budget.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-For-Profit Entities.* The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization

Net assets with donor restrictions: Net assets subject to stipulations imposed by the donor

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

Revenue Recognition

Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as without donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The YAV Account received services donated by volunteers in carrying out its responsibilities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made.*

Income Taxes

The Young Adult Volunteers Account is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for income taxes in the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these financial instruments.

Note 2) Availability of and Liquidity

The following represents the Organization's financial assets at December 31, 2018:

Financial assets at year end:	2018
Cash and cash equivalents	$ 9,879
Total financial assets available within one year	$ 9,879

Note 3) Functional Allocation of Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the Statement of Revenues, Expenses and Other Changes in Net Assets-Cash Basis.

Note 4) Related Party

The YAV account reimbursed the Operating Fund Account $22,578 for payroll personnel costs for the year ended December 31, 2018.

Note 5 Subsequent Events

Management has evaluated subsequent events through September 10, 2019 the date which the financial statements were available for use.

PRESBYTERY OF BOSTON

Budget Task Force

Below are (a cleaned-up version of) the Council Approved recommendations for the December 2019 meeting of the Presbytery of Boston.

1. PoB Treasurer provides monthly income statement, balance sheet and cash flow reports to Presbytery, Trustees and Council, with updates on cash flow, use of and any requests for access to funds or request for per capita payments.
2. Council request that Trustees identify potential funds for use to meet cash flow needs, up to $20,000 for use in FY 2020 and FY2021. These funds from Trustee managed accounts are in addition to funds allocated from the proceeds of the Fort Square sales.
3. PoB approves up to a maximum of $50,000 of Fort Square funds for use to meet budget and cash flow needs, for use between FY 2020 and FY2021 budgets.
4. PoB staff (Resource Presbyter, Stated Clerk and Communications Coordinator), Council, Trustees, and Budget Task Force meet with Presbyterian Foundation to outline a plan for PoB sustainable Budget, Operations and anticipated revenues.
5. PoB staff and at least 1 member of Council meet with pastors and sessions to discuss PoB proposed/adopted 2020 budget (identify questions, concerns, etc), and ask for monthly or quarterly fulfillment of per capita and "stretch" giving to balance the budget.
6. BTF begin meeting by March 2020 with PoB staff and Council to create a zero-based budget for 2021. Initial revenue projections for 2020 should be based on current per capita of $56, along with any commitments made by pastors, sessions/congregations during meetings of PoB staff and Council with pastors & sessions (action #5 above).

Presbytery of Boston - Budget Worksheet (2) for 2020

(prepared by AWP 9/2/2019)

Per Capita and Mission Budget for 2019		***Adopted Budget 2019***		***Working Budget 2020***			
***I. Per Capita* and Mission Resources:**		**2019**	% Budget		**2020**	% Budget	
1) Member Church *Per Capita* (formerly Unified Mission)	$	115,640	61.6%	$	115,640	46.5%	
2) Transfer from Trustee Funds (5 Yr Rolling Avg of Interest Income)	$	991	0.5%	$	722	0.3%	
3) YAV Payroll Support	$	12,315	6.6%	$	25,190	10.1%	
4) Transfer from Trustee Funds - Mission Awards, Grants, Loans	$	10,000	5.3%		as awarded		Received from the Trustees as awarded by Presbytery and distributed to the recipients as mission
5) Unrestricted-Shared Mission (distributed for mission projects)	$	35,000	18.6%	$	25,000	10.1%	To be distributed for mission. In 2019 some portion of funds were allocated to operations.
6) Designated/Directed Mission	$	500	0.3%		as gifted		received and distributed as stipulated by donor
7) Individual Gifts	$	8,000	4.3%	$	5,000	2.0%	received and distributed in support of Presbytery operation and mission
8) Presbytery Loose Offering	$	5,300	2.8%		as received		received and distributed as determined by PoB
9) Unrestricted Fundraising/Operational Donations by PoB churches (as received)	$	-			$77,157	31.0%	goal of $77,157 from PoB churches *Zeroed out for FY20*
10) Transfer from Fort Square Settlement Proceeds	$	58,003	30.9%	$	-		Zeroed out in 2020.
RESOURCES Total:	**$**	**187,746**	100.0%	**$**	**248,709**	100.0%	
Mission & Operational Budget (Over/Under)				**$**	**-**		

II. Per Capita and Mission Disbursements:		**2019**	% Budget		**2020**	% Budget	
A. Congregational Mission Programs	**$**	**15,250**	6.2%	**$**	**12,500**	5.0%	
1) POB Shared Mission Programs	$	10,000	4.1%	$	12,500	5.0%	we should explain/give examples of use
2) East Boston CE Grant	$	-	0.0%				
3) Church of the Covenant (Funded by I2)	$	-	0.0%				
4) Shekinah Fellowship	$	-	0.0%				
5) The Presbyterian Church, Clinton	$	-	0.0%				
6) Christaller Presbyterian Fellowship	$	-	0.0%				
7) Grants - Restricted (from Trustee Funds - Funded by I2	$	5,000	2.0%		as awarded		
8) Korean Church of Boston (Funded by I2)	$	-	0.0%				
9) DesignatedDirected Missions - Funded by I8	$	250	0.0%		as gifted		
B. Other Mission Programs	**$**	**20,550**	8.4%	**$**	**12,500**	5.0%	
1) PoB Shared Mission Programs	$	10,000	4.1%	$	12,500	5.0%	we should explain/give examples of use
2) Camp Wilmot	$	-	0.0%				
3) Presbyterian Disaster Assistance - Regional Hurricanes	$	-	0.0%				
4) Young Adult Volunteers	$	-	0.0%				
5) Mission to the Congo	$	-	0.0%				
6) Immigration Response Task Force	$	-	0.0%				
7) Northeast Ecumenical Stewardship Council	$	-	0.0%				
8) PC(USA) - Youth Connection and Youth Triennium	$	-	0.0%				
9) Presbytery Loose Offering (other - Funded by I9))	$	5,300	0.0%		as received		
10) Designated/Directed Mission (other- Funded by I8)	$	250	0.0%		as gifted		
11) Community Day Care of Waltham	$	-	0.0%				
12) Grants - Restricted (from Trustee Funds - Funded by I2	$	5,000	0.0%		as awarded		Requests from PoB churches
C. Presbytery Staff, Officer and Office Expenses	**$**	**175,451**	71.4%	**$**	**189,211**	76.1%	
1) Moderator of Presbytery - Expenses	$	1,200	0.5%	$	1,200	0.5%	
2) Treasurer - Salary	$	20,400	8.3%	$	20,400	8.2%	
3) Treasurer - Related Expenses (Office and FICA)	$	5,000	2.0%	$	3,550	1.4%	reduction represents delaying purchase of a non-profit software pa
4) Stated Clerk - Salary	$	30,274	12.3%	$	30,274	12.2%	
5) Stated Clerk - Related Expenses (FICA, Travel & Office, 403b)	$	8,203	3.3%	$	8,203	3.3%	
6) Recording Clerk - Stipend	$	674	0.3%	$	674	0.3%	
7) Audit Expenses	$	4,500	1.8%	$	4,500	1.8%	
8) Resource Presbyter - Salary and Offset	$	39,902	16.2%	$	39,902	16.0%	
9) RP - Reimbursable Exps (CE, Mileage, Meals, Phone) & D&D, Pension	$	10,788	4.4%	$	10,788	4.3%	
10) Insurances and phone services	$	3,300	1.3%	$	6,135	2.5%	Presbytery's cost for phone service ($1,300/yr) and insurances ($2,
11) Communications Coordinatoer - Salary	$	30,000	12.2%	$	30,000	12.1%	
12) Communications Coordinator - Related Exps (FICA, Benefits, Exps)	$	8,295	3.4%	$	8,295	3.3%	
13) YAV Site Coordinator - Salary	$	11,440	4.7%	$	23,400	9.4%	
14) YAV Site Coordinator - Related Expenses (FICA)	$	875	0.4%	$	1,790	0.7%	
15) PoB Web Site Support and Training	$	100	0.0%	$	100	0.0%	
16) Staff Conferences	$	500	0.2%	$	-		for internal PoB staff mtgs. Zeroed out in 2020
D. Presbytery Committees	**$**	**7,550**	3.1%	**$**	**7,550**	3.0%	
1) Presbytery Council/Training and Development	$	300	0.1%	$	300	0.1%	
2) Committee on Preparation for Ministry	$	3,000	1.2%	$	3,000	1.2%	
3) Committee on Ministry	$	4,000	1.6%	$	4,000	1.6%	
4) Committee Resources (Pders, COR, Nom)	$	-	0.0%	$	-	0.0%	
5) Permanent Judicial Commission	$	250	0.1%	$	250	0.1%	
E. GA and Synod Per Capita and Connectional Expenses	**$**	**26,948**	11.0%	**$**	**26,948**	10.8%	
1) Connectional Support to General Assembly and The Synod of the NE	$	26,948	11.0%	$	26,948	10.8%	
DISBURSEMENTS Total:	**$**	**245,749**	100.0%	**$**	**248,709**	100.0%	

2019 *Per Capita* Apportionment: GA $ 8.95; Synod $ 4.10; @ 2,065members

2020 PC remain same GA, SY
FY19 # mbrs decreased by 9 (2056). NOT REFLECTED IN PER CAPITA RECEIVED

Eric Markman

PRESBYTERY OF BOSTON

Committee on Ministry

For -Information:

COM voted to approve the Mission Information Form for the First Presbyterian Church of Brookline.

COM voted to approve the contract between TE Susan DeHoff and Whitinsville Presbyterian Church for the period 1 August, 2019 to 31 July, 2020.

For Action:

COM submits for approval minimum compensation standards for 2020 (please see attached)

PRESBYTERY OF BOSTON

2020 Minimum Compensation Standards

Installed Pastor, Associate Pastor, Designated Pastor

Pursuant to G-2.0804, the presbytery is required to establish minimum standards for pastors' compensation, and to review those standards each year. The Presbytery of Boston has voted to apply the following standards to all terms of call in 2020. Many of the special words and phrases that appear below are defined in Section V of the *Pastoral Compensation Standards: Explanation*, along with some examples and illustrations.

A. Minimum Base Compensation

Base compensation includes cash salary and allowances, housing[1], and most church contributions to deferred income and medical expenditures over and above the Board of Pensions dues.

The presbytery requires that all congregations pay their pastors at least the Adjusted Minimum Base Compensation appropriate to their years of service since ordination, computed as follows:

The *Entry-level* Minimum Base Compensation for 2020 is $ 59,367.00. To compute the *Adjusted* Minimum Base Compensation for any pastor, the Entry-level Minimum Base is augmented by an Experience Adjustment of 1% of the entry-level minimum base each year for the first 10 full years of active ministry following her or his ordination, and by 0.5% for each subsequent year beyond ten.

B. Minimum Mandatory Monetary Benefits

1. Board of Pensions dues for 2020: 37% of Effective Salary
   major medical: 25%
   pension: 11%
   death and disability: 1%
2. SECA [Social Security Offset]: 7.65% of Effective Salary

C. Minimum Mandatory Non-Monetary Benefits

1. Vacation: 4 weeks, including 4 Sundays, if the pastor has been ordained less than 7 years;
   5 weeks, including 5 Sundays, if the pastor has been ordained 7 years or more.

The presbytery recommends that all vacation time be taken during the year in which it is earned – that it not be allowed to accumulate and carry over to a subsequent year.

2. Sick Leave: 1 week of paid or unpaid sick leave[2], as required by Massachusetts law.

See Section D.4. below, and page 25 in *Pastoral Compensation Standards: Explanation.*

3. Study Leave: 2 weeks, including 2 Sundays

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[1] The IRS imposes specific and strict limits to the size of a housing or manse allowance in order to be exempt from federal income taxes. Extensive discussion of the requirements appears in the Board of Pensions' *Tax Guide for Ministers*, available on the Board of Pension's website. Those requirements are summarized in our presbytery's *Pastoral Compensation Standards: Explanation* which accompanies these Standards.

[2] Congregations may consult the Co-Chairs or the Recording Clerk of the Committee on Ministry to obtain immediate pastoral coverage if their pastor is suddenly and temporarily unable to serve.

The presbytery recommends that pastors' study leave be allowed to accumulate for up to two years [for a leave of 4 weeks], to enable the pastor occasionally to attend a special continuing educational event that is longer than two weeks or that requires considerable travel there and back.

D. Recommended Monetary Benefits

1. Accountable Reimbursement Travel account: $1,500 suggested
2. Accountable Reimbursement Continuing Education/Study Leave account: $1,500 suggested, which can accumulate up to a limit of three years' worth
3. Accountable Reimbursement Professional Expenses account: $600 suggested, which can accumulate up to a limit of three years' worth
4. One week of ***paid*** sick leave, going beyond the Commonwealth of Massachusetts' requirement of one week [40 hours] of ***unpaid*** sick leave. See p. 25 in *Pastoral Compensation Standards: Explanation.*
5. [Congregations may offer additional reimbursement accounts and other compensation as appropriate to their and their pastors' circumstances.]

E. Recommended Increase in Effective Salary: 3 % for 2020.

F. Part-time Calls

These standards may serve as guidelines to pro-rate compensation for part-time calls, except that

1. paid time off for study leave and vacation must remain at 2 and 4 or 5 weeks, respectively;
2. time off, paid or unpaid, for sick leave must remain at 1 week.

Part-time calls must be reported to the Board of Pensions through Benefits Connect in terms of hours per week. In its formulae, the Board considers 35 hours per week to represent full time. Internally, most congregations and teaching elders would expect that a full-time pastor would devote 45 or sometimes even more hours per week to her or his call.

G. Unit Compensation

In 2020, the Minimum Unit Compensation Rate is $90.00.

Compensation for any service during any day must be at least one unit; compensation for service exceeding one unit [whether defined as "a morning, an afternoon or an evening," or as three to four hours] will be appropriately higher. The presbytery has established specific Unit Assignments for certain pastoral services, as follows:

1. Temporary moderator of a session or congregational meeting
   a. First meeting: no payment
   b. All subsequent meetings: 1.5 units or $135.
2. Pulpit Supply
   a. Single worship service on a Sunday: 2 units or $ 180
   b. Two worship services on the same day: 3 units or $ 270
   c. Note: The congregation hosting a Neutral Pulpit for a candidate under consideration by another congregation is not expected to compensate that candidate for preaching.

H. Manse Notes

1. Manse – Cash Salary Ratio

If the terms of call include a manse, the Board of Pensions requires that the value of the reported Manse allowance must be at least 30% as large as the sum of all the other components of Effective Salary. An equivalent statement is that the Manse allowance must be at least 23% of Effective Salary.

2. Equity-Equivalent Accumulation Fund

If the terms of call include a manse, the Presbytery of Boston recommends that an additional 5% of the value of the pastor's adjusted minimum base compensation be added to the terms of call in the form of a suitable deferred income account to make up for lack of equity growth.

I. Summary

Entry Level Minimum Base Compensation: $ 59,367

Recommended increase in compensation: 3 %

Minimum Unit Compensation $ 90

Mandatory benefits:

Board of Pensions dues: 37%

Vacation	4 or 5 weeks	Study Leave	2 weeks
SECA Offset	7.65 %	Sick Leave	1 week [recommend paid]

Recommended Accountable Reimbursement benefits:

Travel	$ 1,500	Continuing Educ./Study Leave	$ 1,500
Professional Expenses	$ 600		

Recommended non-monetary benefits:

Sick Leave 1 week ***paid***

J. General Provisions

1. The guiding principles of these minimum compensation standards are:
   a. grounded in Scripture
      i. "… for the laborer deserves to be paid." [Luke 10:7], and
      ii. "In the same way, the Lord commanded that those who proclaim the gospel should get their living by the gospel." [I Corinthians 9:14]
   b. informed by our Constitution
      i. for the integrity of each pastor's call [G-2.0504] ; and
      ii. for the accountability of each pastor to presbytery [G-2.0501].
2. Logistics
   a. All calls shall be in writing on the presbytery's appropriate *Terms of Call* form on the Presbytery of Boston's website. They shall be approved by the congregation and then recommended for approval by the presbytery through the Committee on Ministry [COM]. This document is not on the website under COM.

b. The pastor and the session or its personnel committee shall annually review the adequacy of the terms of call and modify them as may be deemed advisable.
   i. The modified [or "revised"] terms of call must then be presented for approval to the congregation at a duly-called congregational meeting.
   ii. The terms of call approved by the congregation for the following year shall be submitted to the COM on the presbytery's *Terms of Call* form, no later than the end of February [or within 5 weeks of the congregational meeting].
   iii. If the revised terms of call conform to these Standards, the COM will recommend that presbytery approve them.

c. Local churches may, for good and valid reasons, petition the presbytery through the COM to approve terms of call that do not conform to these minimum standards. When doing so they shall either submit a plan that brings them into compliance within three years, or request an exception to the policy by documenting the particular circumstances that prevent compliance. Such exceptions must be included in the written original call, or the amended terms of call, and the presbytery may specify conditions for continuing to grant the exceptions.

PRESBYTERY OF BOSTON

2020 Pastoral Compensation Guidelines: Explanation

Installed Pastor, Associate Pastor, Designated Pastor

I. INTRODUCTION

The *Book of Order* [G-2.0804] requires presbyteries to

1. establish minimum standards for the compensation of teaching elders [and others] serving in installed pastorates in member congregations [appearing in the separate document *2020 Minimum Compensation Standards*, updated annually]
2. approve the original terms of call offered to teaching elders newly-called to any pastoral ministry in a member congregation
3. review annually the compensation of all pastors who are continuing in installed pastorates, for conformity with the minimum standards [as reported on the separate form *Terms of Call*[1], updated annually]
4. counsel with sessions and pastors when difficulties arise in fulfilling the established minimum standards.

The *Book of Order* further requires every session to review annually with its pastor(s) the adequacy of her/his/their compensation, to submit the proposed terms of call for the subsequent year to vote at a congregational meeting [G-1.0503c], and to report that compensation to the Board of Pensions [online through Benefits Connect] as well as to the presbytery [on the annual *Terms of Call* form], seeking counsel with the Committee on Ministry when difficulties meeting the minimum standards arise.

This document is part of the Presbytery of Boston's response to these constitutional requirements, containing descriptions, definitions and explanations of various components of pastoral compensation. It is organized as follows:

Section II: Components of pastoral compensation, some of which are required ..... page 2

Section III: Unit Service ..... page 5

Section IV: Computations..... page 5

Section V: Definitions and Provisions..... page 9

[1] The *Terms of Call* form is located on the Presbytery of Boston's website.

II. COMPENSATION CATEGORIES

A. **Overview**

Pastors' compensation consists of at least four of these seven kinds of elements:

1. mandatory cash salary
2. mandatory housing: manse or housing allowance, with associated items
3. mandatory monetary benefits
4. mandatory non-monetary benefits
5. recommended monetary benefits
6. optional monetary benefits
7. optional non-monetary benefits

[When reading this policy document for the first time, it may be helpful to read definitions of various terms in Section V before or while reading the rest of this Section. Words and phrases that are defined in Section V are displayed *underlined, in italics*, when they first appear in this Section. One can refer to Section V for clarification of the meaning of any of these words and phrases.]

B. **Cash Salary**

The most straightforward component of pastors' compensation is *cash salary*. It appears [less required tax withholdings and perhaps other deductions] as part of the teaching elder's pay check. It is part of *Effective Salary*[2], on which the *Board of Pensions dues*[3] are computed, and it is taxable income.

C. **Housing**

Pastors' compensation must include a provision for the shelter of the teaching elder's family.

This part of compensation is called *Housing Allowance* when it is provided, as a pre-determined amount of money on a regular pay check, to a pastor who rents or owns a residence. Alternatively, this part of compensation is called *Manse Allowance* (accompanied sometimes by an associated *Furnishings Account* and/or a *Utilities Account*) representing the pre-determined fair market rental value, as well as the furnishings and utilities expenses, when the congregation provides a manse to its pastor.

Regardless of the form in which it is conveyed, a Pastor's housing compensation is included in Effective Salary for Board of Pensions purposes and is subject to SECA [Social Security] tax. If the session establishes the size of the housing or manse allowance [properly recording that fact in session minutes] and the congregation affirms it as part of the pastor's terms of call approved by majority vote at a duly-called congregational meeting [again recording the approval in the minutes] **before the allowance is paid**, and if the size of the allowance conforms to IRS regulations, then the housing or manse allowance is **not** subject to Federal income tax[4].

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[2] See Section IV.B.1. below for instructions how to compute Effective Salary.
[3] See Section IV.B., especially IV.B.3., for instructions how to compute the Board of Pensions dues.
[4] The only valid tax advice is from a qualified tax attorney; but see the Board of Pensions' annual tax guide to ministers on the Board of Pensions website.

Finally, the Board of Pensions requires that, for all pastors residing in a manse, the manse allowance must be at least 30% of the sum of the other items in Effective Salary.

D. **Mandatory Monetary Benefits**

Pastors' compensation must include two categories of monetary benefits in addition to cash salary and either form of housing compensation. The mandatory[5] monetary benefits are:

1. Board of Pensions dues

Section G-2.0804 of the Book of Order requires that all installed pastors be enrolled in the Board of Pensions benefit programs. The Board requires employing congregations to pay the dues assessed for the member's coverage; if the member has a spouse or children below the age of 26, the presbytery directs congregations also to pay the additional dues assessed for the Member + family plan.

2. *Social Security [SECA] Offset*

This is an offset for half the amount the pastor must pay for SECA, which is the self-employed version of the more familiar FICA program.

E. **Recommended Monetary Benefits**

1. Reimbursable *Travel Expense Account*

Terms of call should include an account to cover pastors' expenses driving to meetings and pastoral visits, and other appropriate travel. The account is expressed in terms of a maximum dollar amount, allocated according to current IRS mileage rates and other documented travel expenses through vouchers.

2. Reimbursable *Continuing Education* or *Study Leave Account*

Terms of call should include another reimbursement account to defray some of the registration and attendance expenses for continuing education events, conferences, study leaves and similar opportunities. This often takes the form of a limited *Accumulating account*.

3. Reimbursable *Professional Expenses Account*

Terms of call should include another reimbursement account to cover specified professional expenses, including professional memberships, subscriptions and book purchases, perhaps equipment and fees, and so forth. This often takes the form of a limited accumulating account.

F. **Mandatory Non-Monetary Benefits**

In addition, pastors' compensation must[6] include one week [40 hours; 6 days including one Sunday] of paid or unpaid *Sick Leave* [see p. 25], plus paid time off for *vacation* and *study leave*.

G. **Optional Monetary Benefits**

1. *Moving or Relocation Expenses*

[5] Consult the most recent *Minimum Compensation Standards* document for the current minimum amounts required for each of these categories.
[6] Consult the most recent *Minimum Compensation Standards* document for the current minimum number of weeks required for each of these categories.

The original terms of call for a newly-called pastor should contain a sum of money to reimburse [wholly or in part] the packing, moving and related expenses incurred in moving from the family's previous home.

2. Additional insurance coverage

Some congregations offer additional insurance coverage of various sorts to their pastors. It could take the form of paying part or all of the premium for the Board of Pensions' *dental benefits*, or paying some or all of the premiums for additional life insurance coverage or long-term care insurance, either through the Board of Pensions or another carrier, or some other insurance coverage.

3. Medical Expenses

In addition to paying the Board of Pensions dues, some congregations offer additional compensation to their pastor(s) for medical expenses.

Usually this compensation takes the form of an *accountable reimbursement plan* because of its advantageous tax treatment. Examples include a *medical deductible account*, or a more general *health flexible spending* account [formally known as a "Section 125 Plan" from the tax law upon which it is based; often part of a "cafeteria benefits plan"] or a *health reimbursement arrangement*, both of which can reimburse spending for most deductibles and copays and copayments, prescriptions, glasses and contact lenses, many non-covered dental and medical procedures, and so forth.

4. Deferred income

Some congregations offer their pastors *Deferred income* in various forms, perhaps through the Board of Pensions' *403(B)(9) retirement plan* or an equivalent commercial product, or special *equity-equivalent accumulation* funds for pastors living in a manse, and so forth.

5. Additional possible monetary benefits

Some congregations reimburse the cost of their pastor's cell phone and service contract. Some congregations offer their pastors a reimbursable *hospitality account* to pay for meals or coffee or similar things as a part of congregational care or outreach or evangelism or counseling activities, or of Membership or Confirmation classes [while other congregations seem to allow those expenses to be reimbursed from the Professional Expenses account]. Some congregations offer their pastors a reimbursable *dependent care account* to pay for qualified child care expenses. Some congregations offer their pastors a cash bonus upon certain accomplishments or at certain seasons. And so forth.

H. **Optional Non-Monetary Benefits, which could include:**

1. An additional week off during each of the first three years after ordination, to participate in the synod's *Early Ministry Institute* or some similar program.
2. Congregational commitment, with appropriate budgetary provisions separate from the pastor's annual terms of call, to offer the pastor a *Sabbatical Leave* after six or seven years' service, such as is described in the Committee on Ministry's *Sabbatical Leave Guidelines*.
3. Access to *Family/bereavement leave* in certain circumstances, as described in the Committee on Ministry's *Family Leave Guidelines*.
4. One week [six days including one Sunday] of paid or unpaid Sick Leave benefits [see p. 25].

5. The provision of a laptop computer and appropriate software, up-dated regularly, to enable the pastor to work both at and outside the church office.
6. Congregational commitment, and an annual budget, to purchase books and resources – especially reference material and preaching resources – for the church's library.

III. UNIT SERVICE

Congregations without the regular service of a pastor [and for which, therefore, the provisions of pastoral compensation in the preceding sections do not at the time apply] often call upon teaching elder members of the presbytery to preach and lead worship, to moderate session or congregational meetings when appointed by the COM, perhaps to visit members, and to perform other ministerial tasks.

These intermittent activities are called *Unit service*, the compensation for which must meet the thresholds, based on the *Unit assignment* and the *Minimum unit compensation rate*, promulgated in each year's *Minimum Compensation Standards*.

IV. COMPUTATIONS

A. Computation of Adjusted Minimum Base Compensation: Tabular Example

Entry-Level Minimum Base Compensation	**$59,367.00**
Adjustment rule: 1% for each year since ordination for first 10 years 0.5% for each year since ordination after 10 years	

Years Since Ordination	Apply the Adjustment Rule	Adjustment Factor	Adjustment Amount	**Adjusted Minimum Base Compensation**
0	0%	0.0%	0.00	$59,367.00
1	1%	1.0%	594.00	$59,961.00
2	2%	2.0%	1,187.00	$60,554.00
3	3%	3.0%	1,781.00	$61,148.00
4	4%	4.0%	2,375.00	$61,742.00
5	5%	5.0%	2,968.00	$62,335.00
…	…	…	…	…
9	9%	9.0%	5,343.00	$64,710.00
10	10%	10.0%	5,937.00	$65,304.00
11	10% + 0.5%	10.5%	6,234.00	$65,601.00
12	10% + 1%	11.0%	6,530.00	$65,897.00
13	10% + 1.5%	11.5%	6,827.00	$66,194.00
14	10% + 2%	12.0%	7,124.00	$66,491.00
15	10% + 2.5%	12.5%	7,421.00	$64,788.00
…	…	…	…	…
20	10% + 5%	15.0%	8,905.00	$68,272.00
…	…	…	…	…

25	10% + 7.5%	17.5%	10,389.00	$69,756.00
…	…	…	…	…
30	10% + 10%	20.0%	11,873.00	$71,240.00

B. Computation of Board of Pensions Items

1. Effective Salary [ES]

   a. Effective salary includes essentially all compensation received during a Plan Year by a Benefits Plan Member from an employing organization.
      i. Components of effective salary that are in *all pastors'* terms of call are their cash salary and the housing or manse allowances along with any possible associated allowances for utilities or furnishings or maintenance.
      ii. *Some pastors'* terms of call include *additional* items that are in effective salary, such as unvouchered book, car and study allowances; vacation pay; overtime; most forms of deferred income; reimbursement of personal expenses; a bonus; a SECA offset in excess of one-half of the SECA tax obligation, and equity allowances.
      iii. Effective salary does **not** include Board of Pensions dues, matching contributions to the Board's Retirement Savings Plan, SECA Offset up to one-half of the member's SECA obligation, tax-free fringe benefits [other than housing-related expenses, or fringe benefits in lieu of cash] **that are offered** to **all** employees, or accountable reimbursements for business expenses advanced by the member on behalf of the employing organization.

   b. Effective salary must be computed and reported annually by each congregation
      i. to the Board of Pensions on-line through Benefits Connect; and
      ii. to the presbytery on the *Terms of Call* form;
      iii. Effective Salary includes the following items:
         1) **Cash salary** (including unvouchered book, car, and study allowances; vacation pay and overtime)
         2) **Housing allowance, utilities, and furnishings allowances**
         3) **Employing organization contributions to 403(b)(9) plans; tax-sheltered annuity plans; and equity allowances** (Matching contributions to the Board's Retirement Savings Plan should **not** be included)
         4) **Bonus**
         5) **Excess SECA** (for reimbursement in excess of 50% of the teaching elder's SECA tax obligation)
         6) **Other allowances** (including copayment and medical expense reimbursement allowances; excluding expenses reimbursed through vouchers, and excluding Benefits Plans dues)
         7) **Manse amount** (must be at least 30% of lines 1-6 for members residing in a manse)

   c. For reference, consult Board document PLN-103: *Understanding Effective Salary* which includes a worksheet on its back page.

3. Computation of Board of Pensions Dues

   a. Introduction

      i. Computing dues for the three main Board of Pensions benefit plans for teaching elders serving pastoral calls requires the use of two numbers:
         1) a *dues percentage*, set by the Board of Pensions; and
         2) the *effective salary*.

      ii. The computation simply multiplies the dues percentage times the reference income.

      Dues = dues% x effective salary

      iii. A pastor or the authorized congregational officer can use the Board's *Benefits Connect* secure web site, or http://www.pensions.org/AvailableResources/Calculators/Pages/default.aspx, to calculate dues.

      iv. Alternatively, the computation of dues is explained below.

   b. Dues percentages are set by the Board of Pensions

      i. The Board publishes the dues percentages in each year's *Quick Facts* brochure, and in its annual *Dues Schedule*, and embeds them in their dues calculators.

      ii. The dues percentages, established by the Board each year, are also included in our *Minimum Compensation Standards* as revised annually.

         3) The **minimum pension participation basis** and the **minimum death and disability participation basis** is set at 25 percent of the annual churchwide median effective salary for installed teaching elders. This proportion is unlikely to change; current dollar values are published in each year's *Quick Facts and Dues Schedule - 2020*.

      iii. Maximum participation basis
         1) Dues are invoiced based on the maximum participation basis when a member's effective salary exceeds the maximum participation basis for a benefit.

         2) The Board of Directors of the Board of Pensions sets the **maximum medical participation basis**, a dollar amount, each year. The Board publishes the Maximum Medical Participation Basis in each year's *Quick Facts* brochure *and Dues Schedule - 2020.*
         3) The **maximum pension participation basis** and the **maximum death and disability participation basis** is a dollar amount set annually by federal law. Current values are published in each year's *Quick Facts and Dues Schedule - 2020.*

C. SECA

   1. The mandatory SECA Offset is one-half of the pastor's SECA obligation[7].

[7] See the definitional entry for *SECA Offset* below.

a. For many years[8] the SECA rate has been 15.3%; with one-half of that being 7.65%.

b. The current rate is given in the presbytery's annual Minimum Compensation Standards.

2. The reference income for SECA is Effective Salary minus certain types of deferred income.

   a. Note the special treatment of housing compensation.
      i. Effective Salary includes the housing or manse allowance, which is not subject to federal income taxes.
      ii. But the Social Security Administration treats housing allowance differently than the IRS does, including it in the SECA base.

   b. Note also the special treatment of certain types of deferred income; see the paragraphs describing Section 403(b)(9) plans in the yearly Board of Pensions' Tax Guide for Ministers for further clarification of requirements.

[8] With a temporary reduction during the early Stimulus years.

V. DEFINITIONS

The following terms are defined in this section; their definitions appear on the indicated pages.

403(b)(9) retirement plan 10
Accountable reimbursement plan 11
Accumulating account 11
Adjusted minimum base compensation 11
Base compensation 12
Board of Pensions 12
Board of Pensions dues 12
Cash salary 13
Continuing education or study leave account 13
Deferred income 13
Dental benefits 14
Dependent care flexible spending account 14
Early Ministry Institute 15
Effective salary 16
Entry-level minimum base compensation 16
Equity-equivalent accumulation fund 16
Experience adjustment 17
Family/bereavement leave 17
Full time 17
Furnishings account 18
Health flexible spending account 18
Health reimbursement arrangement 19
Hospitality account 19
Housing allowance 19
Housing compensation 20
Manse allowance 21
Medical deductible account 21
Moving expenses 21
Part time 22
Professional expenses account 22
Relocation expenses 23
Retirement savings plan 23
Sabbatical leave 23
Sick leave 24
Social security (SECA) offset 25
Study leave 25
Travel expense account 26

Unit assignment 26
Unit compensation rate 26
Unit service 27
Utilities account 27
Vacation 28
Vision benefits 28

403(b)(9) retirement plan

Similar in many ways to the perhaps-more-familiar 401(k) retirement plans, a 403(b) plan is a defined contribution retirement plan for employees of certain tax-exempt organizations or public schools, allowing pre-tax contributions and deferred taxation advantages. The *Retirement Savings Plan of the Presbyterian Church (U.S.A.)* [RSP], offered through the Board of Pensions and administered by Fidelity Investments, is a 403(b)(9) plan. The "(9)" indicates that it is a *church* retirement income account.

Pastors can enroll in the PCUSA's Retirement Savings Plan as long as their employing agency – in this case, their congregation – has enrolled with the Board of Pensions. Some congregations establish their own 403(b)(9) plans to give their employees options instead of or in addition to the RSP, but the legal and administrative overhead can be onerous for small or medium-sized congregations such as are in our presbytery.

The pastor's [employee's] contributions to the RSP *or any other* qualified 403(b)(9) plan offered by her or his employer, in the form of pre-tax payroll deductions, are part of the Effective Salary reported through the Board of Pension's Benefits Connect. Those contributions [pre-tax payroll deductions] to the Board's RSP are reported to the presbytery's *Terms of Call* form, as are the pastor's contributions to any other 403(b)(9) plan. The amount reported in the "cash salary" is thus reduced by a corresponding amount.

Matching contributions by the congregation [employer] to the Board of Pensions' **RSP** 403(b)(9) plan also are reported on our annual *Terms of Call* form; but they are **not reported** on the Board's Benefits Connect, nor are they part of Effective Salary. In contrast, any matching contributions by the congregation [employer] to a **non-RSP** 403(b)(9) plan **are** reported through Benefits Connect, and on our annual *Terms of Call Review* form.

In summary, a pastor's contributions to the RSP or any other 403(b)(9) plan are included in Effective Salary, as are the church's matching contributions to any **non-RSP** 403(b)(9) plan. The inclusion of the non-RSP matching contributions in Effective Salary can be good if the pastor [who is a member of the Board of Pensions benefits plan] wishes to accumulate more pension credits; it can be bad if the church wishes not to increase its dues obligations, or if the member wishes not to increase the deductible and copayment maximum values, both of which are computed as a proportion of Effective Salary. Thus the decision whether to offer and accept a 403(b)(9) benefit, and its amount, deserves careful thought and discussion during the annual review of the adequacy of the pastor's compensation.

Accountable reimbursement plan

An accountable reimbursement plan reimburses an employee for the employee's expenses of carrying out duties benefiting the employer. Accountable reimbursements for business expenses are those expenses repaid by an employing organization upon substantiation or an accounting from the member, indicating the purpose, date, amount, and place of the expenditure.

See the Internal Revenue Code or the yearly Board of Pensions Tax Guide for Ministers for further clarification of requirements.

Such a plan must be administered by the church. It will require record-keeping by the pastor, use of vouchers supported by receipts and contemporaneous records, and the satisfaction of applicable Federal rules for reimbursement of expenses.

Eligible expenses could include the following, *inter alia*:

- mileage and travel
- mobile phones
- vestments and robes
- continuing education, books, subscriptions, memberships
- hospitality expenses
- other professional expenses of this type.

To qualify expenses for an accountable reimbursement plan, employees must

- Have paid or incurred eligible expenses while performing services related to their work; and
- Submit information to substantiate the specific business nature of expenses to the employing organization. Each element of an expenditure must be substantiated; it is not sufficient for the reimbursed individual merely to combine expenses into broad categories such as "travel", nor to report individual expenses through the use of vague, non-description terms such as "miscellaneous business expenses."

Expenses reimbursed by an accountable reimbursement plan are not reported on the W-2 form as taxable income nor are they included in Effective Salary.

Accumulating account

The presbytery recommends that unspent funds in a pastor's Accountable Reimbursement Continuing Education/Study Leave account, and her/his Accountable Reimbursement Professional Expenses account, be allowed to carry over for use in a subsequent year, up to a limit of three years' worth: it is said that the value in these accounts can thus *accumulate*.

This obviously requires careful accounting, perhaps in some sort of segregated fund, because these accounts can span more than one current budget year.

Adjusted minimum base compensation

The Book of Order [G-2.0804] requires presbyteries to establish minimum standards for pastors' compensation. The Presbytery of Boston's standard is expressed in terms of Adjusted Minimum Base Compensation.

The standard is structured such that the minimum compensation increases with the pastor's years of experience since ordination. The presbytery therefore establishes an entry-level minimum for newly-ordained pastors, and an adjustment formula that specifies how the entry-level minimum is augmented – is adjusted – for each year of ordained service.

The current value of the entry-level minimum base, and the formula by which that entry-level base is augmented, are given in each year's *Minimum Compensation Standards*; the formula that has been in effect for many years increases the entry-level minimum base compensation by 1% for each of the first ten full years of ordained ministry, and by 0.5% for each subsequent year beyond ten. That computation is illustrated above in Section IV.A.

Base compensation

The presbytery's minimum compensation standards have always been expressed in terms of an installed pastor's *base compensation*, rather than in terms of all possible components of compensation as outlined above in section II.

The minimum standards describe a method to compute each pastor's *adjusted minimum base compensation*, based on an entry-level minimum base and the number of years of pastoral service since ordination.

The pastor's effective salary is then compared to this computed adjusted minimum base compensation, to see whether the pastor's compensation conforms to the presbytery's minimum standards.

See the definitional entry for adjusted minimum base compensation, above, and the entry for effective salary, below.

Board of Pensions

The Board of Pensions administers the Benefits Plan of the Presbyterian Church (U.S.A.), providing pension, healthcare, death, and disability benefits to qualifying members who serve, or have served, the PC(USA).

The Board of Pensions also offers a Retirement Savings Program [the RSP, a qualified 403(b)(9) plan, administered by Fidelity Investments] as well as supplemental dental and vision benefits programs.

The Board of Pensions' Assistance Program also provides financial and vocational grants, and some kinds of emergency assistance.

Board of Pensions dues

Dues assessed by the Board of Pensions for its medical, death & disability, and pension benefit plans, expressed as a proportion of Effective Salary. The *Book of Order* mandates that all installed pastors participate in the plan and that their congregations must pay the dues.

The Board publishes the dues percentages in each year's *Quick Facts* brochure, and in its annual *Dues Schedule*, and embeds them in the on-line dues calculators. The dues percentages are also included in our *Minimum Compensation Standards* as revised annually.

Cash salary

Along with the basic payment on the pastor's pay checks, Cash Salary includes the employ**ee**'s [the pastor's] contributions to 403(b)(9) plans and tax sheltered annuities; unvouchered [i.e., not structured as an accountable reimbursement account] book or study or car allowances; salary reduction contributions to flexible health spending accounts and other cafeteria plans [often called "Section 125" plans because of the governing section of the tax code], special vacation pay, overtime, etc.

These payments are added together and reported through Board of Pensions' Benefit Connect and on the presbytery's annual *Terms of Call*.

Other components of the pastor's compensation are reported elsewhere:

a. employer contributions to 403(B)(9), tax-sheltered annuity plans;
b. manse equity allowances that are structured as a qualifying deferred Equity-equivalent accumulation fund [see its definitional entry, below];
c. manse equity allowances that instead are structured as a current income supplement;
d. down-payment assistance from the church;
e. bonus or gifts from the church;
f. unvouchered [that is, not structured as an accountable reimbursement account] professional expense allowances;
g. excess [above 50%] SECA compensation;
h. unvouchered medical allowances.

Continuing education or study leave account

One of the three recommended accountable reimbursement accounts [which therefore requires the submission of vouchers or similar expense reports, supported by receipts and contemporaneous spending records substantiating payment for qualifying purchases], the continuing education/study leave account reimburses the pastor for the expenses incurred in maintaining or increasing her or his skills and knowledge as a pastor.

The presbytery recommends that this be an accumulating fund, allowed to grow up to three times its annual size.

Often this fund will support a pastor's attendance at a conference or educational event that might last several days. In that case the registration, any books and materials charges, accommodation and travel expenses can be reimbursed from this account, and the pastor's time away is enabled by the recommended two weeks of Study Leave each year; see the definitional entry for Study Leave, below. [Many congregations also allow their pastor to submit the travel expenses associated with a distant study leave for reimbursement through an accountable reimbursement Travel Expenses Account; see its definitional entry below.]

But it is also possible that the pastor might engage in a continuing education activity that does not require travel or absence; this account can of course still support the accompanying registration, books and materials expenses.

Deferred income

Deferred income is a general term for a part of compensation that is paid this year, in some [usually tax-advantaged] form, to be available for use later. The customary form is through a 403(b)(9) plan, such as the Retirement Savings Plan [RSP] mentioned above in the 403(b)(9) definitional entry and

described below in its own entry, but it could also be an Equity-Equivalent Accumulation Fund [EEAF] as described below.

The pastor's [employee's] contributions, if any, to a deferred income instrument would be reported through the Board of Pensions' Benefits Connect, and to the presbytery on the annual *Terms of Call* form.

If the congregation [employer] offers an EEAF, its value would be reported to the Board of Pensions through Benefits Connect, and also to the presbytery on the annual *Terms of Call* form .

In all such cases, the deferred income is part of Effective Salary; in no case is it subject to current federal income tax.

Dental benefits

In addition to the Medical Plan, the Board of Pensions also offers an Optional Dental Benefits Plan to members. Depending upon where the member lives, the Optional Dental Benefits Plan may be a Passive PPO, a PPO Option or a Dual Option [offering the choice of either a Dental Maintenance Organization or a PPO] plan.

There are restrictions – and some waiting periods – depending on when a member enrolls in the Dental Benefits Plan. For more details, consult the *Benefits Overview: Optional Dental Benefits*.

Dependent care flexible spending account

If both the pastor and her or his spouse/partner work outside the home, and thereby need to pay a qualified individual or organization to care for their minor child(ren) during the day, the IRS recognizes that spending like other expenses that are necessary in order to earn income.

There are two ways a family can obtain some tax advantages for such child care expenses[9]. For the most part [at least with respect to each child taken one at a time], the family must choose only one of the ways.

One way is the Dependent Care *Credit*, allowing the family to reduce its tax obligation by a certain amount for every dollar spent on child [or certain other dependents'] care, within certain spending limits; the proportion of child care spending that is credited decreases with gross income. See IRS Publication 503, *Child and Dependent Care Expenses*, and Form 2441, *Child and Dependent Care Expenses*.

The other way is with a Dependent Care Flexible Spending Account, operating like any other flexible spending account, in which a portion of the employee's pre-tax salary is diverted into the account which then reimburses qualified child care expenses. This has the practical effect of converting the covered child care expense into a tax *deduction*.

For a pastor to participate in a dependent care flexible spending account, her or his church must have set up the account according to specific and strict IRS regulations and offer it to all of its employees; that is a considerable administrative burden, beyond the reasonable ability of most of our congregations.

[9] These potential tax savings are in addition to the Child Tax Credit, which offers a tax credit [varying with income] for the mere presence of a child in the family. These tax savings accrue only to the extent that the family pays for child care to allow the parent or parents to work and earn income. As always, consult a qualified tax advisor.

Some families [usually those with higher adjusted gross income] would benefit more from the child care flexible spending account deduction [if their employer were, in fact, to offer such a creature] than they would from the child care credit; naturally, many families with not-so-high adjusted gross incomes would benefit more from the child care credit.

If a pastor were to explore both, based on her or his own financial and family circumstances[10], and discover that a child care flexible spending account would be most beneficial, then perhaps part of the annual review of the adequacy of her or his terms of call might include an exploration of the possibility that her or his church might establish such an account.

Early Ministry Institute

Early Ministry Institute (EMI) is a three-year program of the Synod of the Northeast designed to encourage and support pastors in their first call to parish ministry and to assist them to gain skills in specific areas which are often omitted in the traditional seminary education.

The context of EMI is to center on God's call to us and to reflect how Christ is part of our ministry, to consider the ongoing life of the congregation, and to take a look at the church as it interacts with the surrounding world.

EMI Objectives Are:

- to encourage participants, individually and as a community, to reflect intentionally upon God's role in their lives and their ministry;
- to provide opportunity for those in their first parish to discuss with each other and with more experienced pastors certain issues of ministry.
- to introduce new pastors to human and other resources available in the Synod of the Northeast;
- to provide a time in a relaxed setting when participants can reflect together on their experiences, their successes, and their disappointments.

The EMI is usually held from the first Sunday in May through the following Thursday at Stony Point Conference Center.

The Presbytery of Boston strongly urges that all pastors in their first call as solo pastor be granted a week's paid leave in addition to normal study leave in order to participate in EMI, for the benefit of the pastor and her/his ministry to the congregation. The presbytery will pay the registration and attendance costs of EMI, and will assist the congregation in obtaining pulpit supply during the pastor's Sunday absence.

[10] Probably with the assistance of the Board of Pension's annual Tax Guide for Ministers, as mentioned above, and certainly only with the counsel of a qualified tax advisor.

Effective salary

Effective Salary is a Board of Pensions artifact, used to compute dues obligations for covered members, and their deductible and copayment maxima. In general, it includes nearly all compensation received from the member's congregation or employing organization, whether received in cash or kind or some deferred form. It includes housing allowances but excludes matching contributions to the Board of Pensions' Retirement Savings Plan, accountable reimbursements for qualifying business expenses, SECA reimbursements, and Board of Pensions dues.

The formal definition of Effective Salary is

> Any compensation received during a Plan Year by a Benefits Plan Member from an employing organization, including but not limited to any sums paid as a housing (including utilities and furnishings) allowance. Effective Salary shall also include any deferred compensation (funded or unfunded) credited to or contributed on account of a Member by an employing organization during a Plan Year, with the exception of any amounts contributed as an employer contribution to the Retirement Savings Plan under a matching contribution program that is available to at least all employees of the employer in the same employment classification, and any salary reduction contributions to a plan or other arrangement providing a tax-favored benefit. Effective Salary does not include amounts received for reimbursement of professional expenses through an accountable reimbursement plan or Social Security amounts up to fifty percent (50%) of a teaching elder's Self-Employment Contributions Act obligations. With respect to a Member eligible for a housing allowance, the amount for housing is calculated as follows: if a Manse is provided, the amount shall be at least thirty percent (30%) of all other compensation described above; if no Manse is provided, the amount shall be the actual housing allowance.[11]

The computation of Effective Salary is discussed above in Section IV.B.1.

Entry-level minimum base compensation

The minimum base compensation for a newly-ordained pastor, specified in each year's *Minimum Compensation Standards*.

The Book of Order [G-2.0804] requires presbyteries to establish minimum standards for pastors' compensation. The Presbytery of Boston's standard is expressed in terms of Adjusted Minimum Base Compensation.

Our presbytery's standard is structured such that the minimum compensation increases with the pastor's years of experience since ordination. The presbytery therefore establishes an *entry-level* minimum for newly-ordained pastors, and an *adjustment formula* that specifies how the entry-level minimum is augmented – is adjusted – for each year of ordained service.

Equity-equivalent accumulation fund [EEAF]

A deferred-income fund offered by some congregations to their pastors who live in a manse.

[11] This definition of Effective Salary also appears in the Board of Pensions publication PLN-103: *Understanding Effective Salary*, p. 3, which includes highly detailed explanation and examples of various items which are or are not included in Effective Salary in various circumstances.

Pastors [or anybody else] who do not own their own homes thereby do not enjoy the appreciation in asset value as house prices typically increase over long periods of time. Congregations that own a manse usually do find the value of the manse appreciating over time.

As congregations with a manse seek to call a new pastor, and negotiate their terms of call annually with a current pastor, an equity-equivalent accumulation fund can sometimes make the call more attractive. Such a fund could be expressed in a number of ways; most often as a percentage of effective salary, but perhaps as a percentage of the fair market value of the manse, or even a fixed monetary amount.

Experience adjustment

The experience adjustment is the amount by which the entry-level minimum base compensation is adjusted – is augmented – for each year of ordained ministry.

The experience adjustment is computed on the basis of the *adjustment formul*a specified in each year's *Minimum Compensation Standards*.

Family/Bereavement leave

The presbytery recommends that congregations offer their pastors paid leave when faced with certain events in their families' lives, in accordance with the *Pastoral Family Leave Guidelines*.

Full Time

Pastoral calls can be, obviously, either full-time or not full-time: either full-time or part-time.

In recent years the presbytery has not always been complete or precise in expressing what full-time means, or how it corresponds to employment conditions outside the church. One major manifestation of that is the practice for several years of specifying pastoral activity in terms of units[12] rather than hours per week.

A full-time call in the Presbytery of Boston is often said to involve 14 units[13]; thus a half-time call is said to be seven units. Some presbyteries explicitly limit a full-time call to no more than two evening units – which is how presbyteries express, in unit language, an intention to protect their pastors from a requirement or expectation that they attend meetings too many evenings per week.

One complication of the presbytery's expressing pastoral activity in terms of units arises because the Board of Pensions requires all part-time calls to be defined [and reported to them] in terms of *hours* per week rather than *units* per week, in Benefits Connect[14].

Parallel to thinking of a unit as a morning or an afternoon or an evening – and more familiar and thus easier to deal with for some pastors and congregational officers – a unit is sometimes described as three to four hours; by that standard a full-time call would involve somewhere between 42 and 56

[12] A unit is often loosely-defined as "a morning, an afternoon or an evening" and sometimes translated into some interval between three and four hours. See the definitional entry below for Unit Service.
[13] A few presbyteries formally define full-time service to involve 13, or rarely only 12, units.
[14] The presbytery's annual *Terms of Call* form also requires congregations to express their part-time pastors' call in terms of hours per week.

hours and a half-time call would be 21 to 28 hours. Some presbyteries, eschewing unit designation altogether, declare that full-time is something like 48 or 50 hours, essentially the middle of that range.

In one limited context – computing the Full-time Equivalent Salary for a pastor whose call is less than full-time, and on that basis computing medical dues and deductibles and copayment limits – the Board of Pensions defines full-time as only 35 hours or more. But the Board makes no other claim or advice, in any context, about the number of hours actually devoted to a full-time pastorate

Furnishings account

Some congregations offer a fully-furnished manse and undertake all cleaning and replacement of the furnishings, factoring these costs into the [fair rental] value of the manse allowance. In contrast, some pastors' families have [and prefer to use] their own furniture, in which case it may be appropriate to offer a furnishings account, reimbursing the pastor's expenditures for furnishing the manse [perhaps buying, almost certainly replacing, cleaning or repairing furniture and other equipment in the manse].

The Board of Pensions requires that the manse allowance, if it exists, be at least 30% as large as the value of all other components of the pastor's effective salary. The choice of whether the value of furnishings will be included in the manse allowance, or recorded in a separate account, obviously affects whether that 30% ratio is achieved: it affects the proportion of the manse allowance to the rest of effective salary. If a separate furnishings account is offered, the value of the manse allowance by itself must still meet the 30% threshold. Pastors and church officers should consider this when deciding whether to separate furnishings into its own account.

If such an account were included in a pastor's terms of call, it would be reported to the Board of Pensions through Benefits Connect; it would be reported to the presbytery on the annual *Terms of Call*.

Health flexible spending account

A Health Flexible Spending Account is a program under Section 125 of the Internal Revenue Code that allows an employee to set aside a part of salary on a pre-tax basis and use the money to be reimbursed for eligible healthcare expenses the employee incurs for herself or himself or for her or his eligible dependents.

A Health FSA is operated through a "cafeteria plan," enabling participants to pay the expenses on a pre-tax basis. To qualify for the advantage on a pre-tax reimbursement, the Health FSA must follow certain rules established by the IRS.

In order to establish a Health FSA for its employees [its pastors and other employees], the employing organization [the congregation] must adopt a plan document setting forth the terms and conditions of the Health FSA according to IRS requirements. No congregation should set up its own Health FSA or any other FSA[15] without the advice of a qualified professional tax advisor.

[15] Employers may also establish Flexible Spending Account plans for dependent care expenses. If an employer offers a cafeteria plan established under Section 125 of the Internal Revenue Code, it may also permit pre-tax contributions toward disability, life insurance (other than dependent life), and medical plan premiums. Again, consult qualified professional tax advisors before establishing any such plans.

Health reimbursement arrangement

A health reimbursement arrangement [HRA] is one of the options [along with a health flexible spending account or a more restrictive medical deductible account] by which a congregation can offer its pastor a form of compensation to reimburse certain health and medical-related expenses on a non-taxable basis.

An HRA, established under Section 105 of the Internal Revenue Code, is funded solely by the employer[16], providing reimbursement for certain medical expenses up to an annual limit. These arrangements are not subject to federal income tax or social security [SECA] tax **if set up as a group plan** to reimburse the employing organization's **entire employee population** for medical expenses not covered by the Board of Pensions' Medical Benefits Plan, such as deductibles and copayments. To reinforce what was written in bold above, funds provided through a HRA for medical reimbursement are taxable, unless the benefit is provided to the employing organization's entire employee population.

For more information, refer to the tax advantage information provided by the Board of Pensions at http://www.pensions.org/AvailableResources/TaxAdvantagedPlans/Pages/default.aspx

Hospitality account

Some congregations include in their pastor's terms of call an accountable reimbursement account for meals or coffee or snacks which the pastor shares with members and groups in the congregation or presbytery or community, while engaging in congregational care, counseling, outreach, evangelism, committee or small group meetings, and so forth.

In other congregations it is understood that these expenses are appropriate for submission as professional expenses.

Housing allowance

One form of housing compensation, the Housing Allowance reimburses the expenses incurred by a pastor who owns or rents her/his own home. See the Housing Compensation definition below, for broad guidelines on its favorable tax treatment.

According to the *Tax Guide for Ministers*,

> Ministers who own or rent their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that (1) the allowance represents compensation for ministerial services, (2) it is used to pay housing expenses, and (3) it does not exceed the fair rental value of the home (furnished, plus utilities.) Housing-related expenses include mortgage payments, rent, utilities, repairs, furnishings, insurance, property taxes, additions, and maintenance.

The second and third criteria above are crucial, and bear repeating: a pastor's housing allowance is excluded from taxable income only to the extent that it is used to pay housing expenses and does not exceed the fair rental value of the pastor's home, with furnishings and utilities.

[16] In this way a health reimbursement arrangement differs from a perhaps more-familiar health flexible spending account, in which the employee makes pre-tax contributions to the flex account.

This can be summarized as follows: the nontaxable portion of a housing allowance is the **lesser** of the following three amounts:

1. the housing allowance as designated by the congregation in the pastor's terms of call;
2. the pastor's actual housing expenses; and
3. the fair market rental value of the house (furnished, with utilities).

Conscientious pastors and congregations obtain a professional appraisal of the fair market rental value of their pastor's home every five years or so in order to be certain to satisfy this IRS requirement.

The value of housing allowance is reported to the Board of Pensions on Benefits Connect, and is reported on the presbytery's annual *Terms of Call*. The **non-taxable** portion of housing allowance [which will be the entire housing allowance for those pastors and congregations who correctly specified its value in the terms of call] will **not** be reported on Form 1040, but will be reported on Schedule SE in computing SECA tax obligation. If the designated housing allowance exceeds the allowable value, its excess must be reported on Line 7 of Form 1040.

Housing compensation

Housing compensation, which is part of Effective Salary, can take one of two forms:

1. Manse Allowance, for a pastor living in a manse owned and provided by the congregation; or
2. Housing Allowance, for a pastor living in a house (s)he owns or rents.

See the definitional entries for each of the forms for detailed information.

Regardless of the form in which the congregation compensates its pastor(s) for housing, this part of pastoral compensation offers significant federal income tax[17] benefits which are available **only if** certain conditions or criteria are scrupulously followed. A full discussion appears in the Board of Pensions' annual Tax Guide for Ministers; general guidance follows:

First, the allowance must represent [partial] **compensation for ministerial services**.

Second, the amount of the housing or manse allowance must be **designated in advance**. Session must formally approve the allowance as part of the terms of call [recording that fact in their minutes] and the congregation must approve the terms of call including the housing or manse allowance by vote at a duly-called congregational meeting [recording that fact in the minutes of the congregational meeting] before the allowance is paid to the pastor. Housing or manse allowance that has not been pre-designated by both the session and the congregation in this way cannot be excluded from taxable income, but must instead be reported on line 7 of Form 1040.

Third, the **size of the allowance must be justifiable** to the IRS. See the definitional entries for each form of housing compensation; again more details plus examples appear in the Board of Pensions' annual Tax Guide for Ministers.

[17] But **not** SECA tax benefits: housing or manse allowances, and accompanying utility or furnishing allowances if applicable, must be reported as income on Schedule SE when computing the SECA tax obligation.

Manse allowance

One form of housing compensation, the Manse Allowance represents the fair rental value of a manse owned by the congregation and occupied by the pastor's family.

The congregation may also provide (tax-free) "allowance" for reasonable expense for furniture, cleaning, décor, etc., recognizing that the use of furniture and cleaning etc. is for the benefit of the church, with the expectation that the manse will be the location of some meetings, entertaining, maybe counseling, whatever. In order to do so, the furnishing allowance or utility allowance[18] must be designated in advance just as the manse allowance must be designated in advance.

The amount of income that can be excluded from federal income tax is the lesser of (a) the value designated as manse allowance plus any associated allowances, or (b) the fair market rental value of the manse plus utilities and furnishings and maintenance.

The value of the manse allowance is reported to the Board of Pensions either through Benefits Connect; it is reported to the presbytery on the annual *Terms of Call*. The value of any associated allowance [utilities, or furnishings] is also reported through Benefits Connect and on the annual *Terms of Call*.

The Board of Pensions requires the value of the manse allowance to be at least 30% of all the other elements of Effective Salary; alternatively, it must be at least 23% of Effective Salary.

Medical deductible account

The Board of Pensions' Medical Benefits Plan includes deductibles, the amount of eligible medical expenses that must be paid annually before the Medical Plan starts to reimburse a share of the costs: one for the member and one for the rest of her or his family. The size of the deductible is determined by the Board of Directors of the Board of Pensions, typically expressed as a proportion of the member's effective salary.

Some congregations offer their pastors a Medical Deductible Account from which the pastor's and family's deductibles can be reimbursed. It is a more restrictive benefit than a health flexible spending account or a health reimbursement arrangement, but easier to set up and administer.

The account is reported through Benefits Connect and on the annual *Terms of Call*.

Moving Expenses

The presbytery recommends that moving expenses for any pastor [and her/his family] who live more than 50 miles[19] away from the church building be included in **original** terms of call. It is best to structure this item as a maximum dollar amount which can be reimbursed, subject to proper submission of expenses supported by receipts.

As a reimbursable account, this is not subject to federal income tax or SECA tax, nor is it counted in the computation of effective salary.

Any qualifying moving expenses **in excess of the reimbursed amount**, properly supported by receipts, are deductible for the purposes of federal taxes as long as both the IRS "distance test" and the

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[18] It is usually far simpler for the congregation to pay the major utilities directly, as it does anyway with all repairs and maintenance, directly rather than to reimburse the pastor for those expenses.

[19] 50 miles satisfies the IRS "distance test."

IRS "time test" are satisfied. Moving expenses are figured on Form 3903, *Moving Expenses*, and deducted as an adjustment to income on Form 1040. To repeat: pastors cannot deduct any moving expenses that are already covered by reimbursements from their congregations, that are thus already excluded from income.

For more information on deductible and nondeductible moving expenses, refer to Publication 521, *Moving Expenses*, from the IRS, and to the Board of Pensions' Tax Guide for Ministers.

Part-time

See the definitional entry for *full-time*, which part-time of course is not, but within which the relevant information for part-time is presented.

Professional expenses account

One of the three recommended accountable reimbursement accounts [which therefore requires the submission of vouchers or similar expense reports, supported by receipts and contemporaneous spending records substantiating payment for qualifying purchases], the professional expenses account reimburses the pastor for the expenses incurred in performing her or his ministerial services for the congregation.

The pastor and congregation should have a clear agreement ahead of time concerning what expenses are eligible for reimbursement through this account. In general, qualifying purchases or expenses would be similar to those that the IRS would accept for excludable business expenses. Two relevant points:

First, although business travel and continuing education are usually qualified business expenses, and are thus usually treated like any other business or professional expense in the corporate or lay context, the practice for most clergy contracts – and the recommendation of the presbytery in our compensation standards – is to maintain separate accountable reimbursement accounts for travel and for continuing education or study leave.

Second, therefore, the categories of spending that are usually reimbursed from a pastor's professional expenses can include such things as books and subscriptions, membership and dues, vestments and ecclesiastical items, postage and office supplies if not provided directly by the church, perhaps cell phones and their service contracts, and so forth.

It is usually best that the congregation directly provide [and regularly update] appropriate computer, software, printer and accompanying equipment for the pastor's work, perhaps from a budget line in a general equipment or administrative category. Some congregations instead prefer that their pastors purchase such items, upgrading them as appropriate, for reimbursement; in that case the professional expenses account should be augmented sufficiently to allow those kinds of expenses as well.

This would be an especially important reason to allow the account to accumulate up to three years' worth, because computer and software expenses would typically fluctuate greatly from year to year.

As an aside, note that computers and other tangible goods – even books – that are paid for under the reimbursement method actually belong to the church. Churches may later offer to sell these items to the pastor at [a depreciated] fair market value; sometimes churches choose to treat these items as gifts to the pastor when a new replacement item is purchased. If treated as a gift, however, these items

are considered taxable to the pastor based on the current market value [which, after depreciation, can often become quite low].

Relocation expenses

See the definitional entry for Moving Expenses, above.

Retirement Savings Plan of the Presbyterian Church (U.S.A.)

The Retirement Savings Plan of the Presbyterian Church (U.S.A.) [the RSP] is a tax-deferred church retirement income account plan under Section 403(b)(9) of the Internal Revenue Code, administered by Fidelity Investments (Fidelity).

The Board charges no fees for the RSP, and the Plan offers a variety of Fidelity funds with PC(USA) social screens, which are often popular investment options for employees who seek long-term capital growth. Also, unlike commercial plan sponsors, the Board has the authority to designate RSP distributions as housing allowance eligible for exclusion from federal income tax.

The employing organization [the *congregation*, for the purposes of those subject to these compensation guidelines], at its discretion, may contribute on the pastor's behalf to the pastor's account. These contributions may be in the form of a contribution matching a contribution the pastor makes to the RSP (a "matching contribution"), or, in some cases, the pastor may not be required to contribute to receive the employer's contribution (a "non-contingent contribution").

All contributions – the pastor's contributions, the congregation's contributions, if any, and the results of any investment gains in the account – are immediately 100 percent vested (non-forfeitable).

Savings grow on a tax-deferred basis —no taxes are paid on any contributions or earnings until the funds are withdrawn from the RSP.

Members have the flexibility to choose how to invest their savings from among the investment options designated by The Board of Pensions of the Presbyterian Church (U.S.A.) (the Board) and offered through Fidelity.

A teaching elder's contributions to the RSP are not subject to Self-Employment Contributions Act (SECA) taxes. This means that teaching elders exclude the amount contributed to the RSP from earnings reported for Social Security taxes. Keep in mind that this may also reduce benefits received in the future from the Social Security Administration.

Information about the Retirement Savings Plan is available on the Board of Pensions' web site.

Sabbatical leave

To enable pastors to give extended study to subjects which will contribute to the work of their church and to their own technical or professional development, an extended sabbatical leave with salary continuation may be granted after six or seven years' service.

For a number of years the Presbytery of Boston had recommended that congregations include in each year's Terms of Call a contribution to a "Sabbatical Fund", equal to 1/28 of the pastor's effective salary, in order to accumulate sufficient money to support a several-month sabbatical leave for the pastor after six or seven years' service.

While the presbytery remains committed to this opportunity for each of its congregations' pastors, beginning in 2014 we no longer recommend that it be "financed" through the Terms of Call – in fact, we declare doing so to be inappropriate.

Instead, the presbytery recommends that congregations commit to enable their pastors to partake of a sabbatical but prepare for it through the operating budget and perhaps a separate fund, but not through the pastor's Terms of Call. See the document *Guidelines for Sabbatical Leave*, in the COM page of the presbytery's web site.

Sick leave

In the past, some congregations may have created explicit, written Sick Leave policies for their pastors and perhaps other employees; most probably did not, and responded to their pastors' health issues on an *ad hoc* basis.

The presbytery had never recommended that all congregations create an explicit sick leave policy before 2015. But the earned sick leave law, M.G.L. c. 149 § 148C, was approved by the voters of the Commonwealth on 4 November 2014 and took effect on 1 July 2015. The law entitles employees in Massachusetts to earn and use sick time according to certain conditions.

Employees who work for employers having eleven or more employees can earn and use up to 40 hours[20] of *paid* sick time per calendar year; none of the congregations in the presbytery have as many as eleven employees. Employees working for smaller employers – all of our churches fall in this category of "smaller employers", and their pastors are counted as their employees for the purpose of this law – can earn and use up to 40 hours of *paid or unpaid* sick time per calendar year, according to the terms of the new law.

Consistent with the relationships of love and support and shared ministry that we all desire to maintain between our churches and our pastors, the presbytery has always urged that all congregations prepare so as:

- to be able to react quickly if their pastors are suddenly taken ill and unable to perform their pastoral service for a period of time. This may include provision to arrange pulpit supply and pastoral care on short notice, perhaps with help from the Committee on Ministry; and
- to continue to pay the pastor according to the terms of call for a period of time during his or her illness-related absence.

That advice, "to continue to pay the pastor … for a period of time", takes concrete form now in the recommended benefit of one week of *paid* sick leave that appears in § D.4. of the *Standards*.

Congregations may consult the Chair or the Recording Clerk of the Committee on Ministry to obtain immediate pastoral coverage if their pastor is suddenly and temporarily unable to serve.

[20] We interpret the law's "40 hours" to mean one week, or six working days, including [only] one Sunday. The six days need not be taken consecutively.

Social security (SECA) offset

SECA [the acronym of the Self Employment Compensation Act] is the counterpart to the perhaps more familiar FICA: the Social Security's *Old-Age, Survivors, and Disability Insurance* (OASDI) program plus Medicare's *Hospital Insurance* (HI) program for employers and employees.

Ministers called by congregations are considered by the IRS to be "employees" for income tax purposes, and yet "self-employed" for purposes of Social Security taxation. If ministers had been employees of the church then the church would have been obligated to pay half the Social Security tax while the minister would have been responsible for the other half; as self-employed the pastors are obligated to pay the entire tax. And, in fact, the presbytery and our congregations pay the employer's portion of Social Security [FICA] taxes for every lay employee.

Thus the presbytery instructs all congregations to provide their installed ministers with a SECA Offset equal to one-half the SECA tax, just as congregations pay one-half the FICA tax for their lay employees. In this way our presbytery – matched by essentially all other presbyteries in the denomination – treats pastors the way other non-ordained employees of the congregation are treated with respect to Social Security taxes.

The SECA tax rate is now 15.3% of earnings subject to social security tax; the presbytery's *Minimum Compensation Standards* indicate that terms of call must include half that much, which therefore is currently 7.65% of the SECA base, which is Effective Salary less salary-reduction contributions to the RSP.

Contributions to a SECA Offset are subject to income tax. Contributions up to 50% of the total SECA obligation – the presbytery's recommendation – **are not counted** as part of Effective Salary; any "excess" above 50% **is counted** in Effective Salary [and must be entered through the Benefits Connect and our presbytery's annual *Terms of Call* form], thereby increasing Board of Pensions dues, deductible and copayment limits, but also the retirement credits.

Study leave

The presbytery requires that all installed pastors be provided two weeks of paid study leave per year. The presbytery further recommends that study leave be allowed to accrue up to four weeks in total, if the pastor does not use the entire two weeks in any year.

The purpose of the study leave is to enhance the professional abilities of the pastor which shall be mutually beneficial to both the pastor and the church. The goal is for self-development in the work of ministry and not for vacation, recreation, or leisure. Study leave should equip a pastor for the work not only of the local church, but the whole Church. Hence a study leave may have immediate and direct relevance broader than the current pastoral position.

Each pastor must present, several weeks in advance, the plans and rationale for each study leave to the Session for discussion, approval and the timing of the leave. That will allow session to arrange pulpit supply and other necessary pastoral coverage in the pastor's absence. Most sessions require that their pastors submit a written report of each study leave to the Session at the next meeting following the conclusion of the study leave.

One of the three recommended accountable reimbursement accounts, the Continuing Education/Study Leave account, can support the registration, supplies and books, accommodation and travel expenses associated with study leaves. Many congregations also allow the use of another of the recommend accounts, the Travel Expense account, to cover travel expenses associated with study leaves. See the definitional entries for both of those accounts.

The presbytery recommends that in the event of termination of service, any accumulated study leave time and allowance shall be forfeited. Pay *in lieu* of study leave will not be provided.

Travel expense account

One of the three recommended accountable reimbursement accounts [which therefore requires the submission of vouchers or similar expense reports, supported by receipts and contemporaneous spending records substantiating payment for qualifying purchases], the travel expense account reimburses the pastor for the expenses incurred in traveling away from the church building in performance of her/his pastoral duties.

It is usually best to reimburse automobile travel according to the current IRS mileage rate, and all other forms of travel on the basis of actual expenses substantiated by tickets and/or receipts.

The pastor and congregation should have a clear agreement ahead of time concerning what expenses are eligible for reimbursement through this account. To conform with IRS regulations, it **should not** cover commuting between the pastor's home and the church building. Almost always it will include travel to members' homes and to hospitals for pastoral visits; to meetings of the presbytery or synod or general assembly, and to meetings of committees of the presbytery; to homes or offices or restaurants or other venues when engaging in evangelism or outreach or counseling or community groups or clergy gatherings; to funeral homes and cemeteries for planning and conducting funerals; and so forth.

Attending continuing education events during study leave often requires travel, sometimes for a fairly long distance. Those travel expenses could be reimbursed from the recommended accountable reimbursement Continuing Education/Study Leave account; most congregations would also allow their pastor to submit those travel expenses for reimbursement from this account instead. [See the definitional entry for the Continuing Education/Study Leave account.]

Unit assignment

This refers to the number of "units" assigned in the *Minimum Compensation Standards* to the performance of intermittent pastoral service, usually pulpit supply and moderating meetings.

For example, during the last several years the standards have assigned 2 units to preaching and leading one worship service or 3 units for leading two services on the same day, and 1.5 units for moderating a session or congregational meeting. These almost surely represent more "units" than the corresponding hours for the act itself, whether it be a worship service or a meeting, reflecting preparation and maybe travel time.

Unit compensation rate

The rate, specified in the *Minimum Compensation Standards*, at which a congregation must compensate a teaching elder for the performance of intermittent pastoral service, usually pulpit supply or moderating meetings.

Unit service

A Unit is a block of time given by a teaching elder in service to a congregation: a morning, an afternoon or an evening. The service given may be administrative, pastoral, worship preparation or leadership, and/or study for any of these activities.

Teaching elders who provide intermittent pastoral services to congregations without regular pastoral leadership – often preaching and leading worship, and moderating session or congregational meetings – are said to offer Unit service. Such pastoral services are to be compensated consistent with the presbytery's current *Minimum Compensation Standards*, which specify both the minimum unit compensation rate and the unit assignment corresponding to each such activity.

Utilities Account

A utilities account sometimes accompanies a manse allowance or a housing allowance, reimbursing the pastor's expenditures for the utilities [electricity, natural gas or oil, water and sewer fees, etc.] which serve the manse or house in which the pastor's family lives.

For pastors living in a manse:

Most congregations that provide a manse find it simpler to have the utilities serving the manse billed directly to the church, paying for the utilities themselves, factoring any such expenses into the [fair rental] value of the manse allowance; nevertheless, some congregations keep the two separate, assigning utility oversight and payment to the pastor, in which case a separate reimbursement fund is required [which is reported separately, and is a component of effective salary].

The Board of Pensions requires that the manse allowance, if it exists, be at least 30% as large as the value of all other components of the pastor's effective salary. [That is mathematically equivalent to a requirement that the manse allowance be at least 23% of effective salary.] The choice of whether the value of utilities will be included in the manse allowance, or recorded in a separate account, obviously affects whether that 30% ratio is achieved: it affects the proportion of the manse allowance to the rest of effective salary. Pastors and church officers should consider this when deciding whether to separate utilities into its own account.

If the terms of call for a pastor living in a manse include a utilities account, it would be reported to the Board of Pensions' Benefit Connects; it would be reported to the presbytery on the annual *Terms of Call* form.

For pastors living in their own houses:

In a parallel fashion, most congregations whose pastors own or rent their own homes [and thus who receive a housing allowance] find it simpler to include utility cost along with fair rental value and other components into one overall value for the housing allowance. Some, however, decide to list them as separate accounts.

If the terms of call for a pastor living in her or his own house include a utilities account, it would be reported to the Board of Pensions as part of a larger sum [including the housing allowance itself] through Benefits Connect; it would be reported to the presbytery on the annual *Terms of Call*.

Vacation

At least four weeks' vacation with pay is provided for all pastors. It is a necessary time of rest, refreshment, and relaxation for health and work performance. Except in extraordinary circumstances and with explicit session and COM approval, vacation time does not accrue from year to year: it is the responsibility of the pastor and the Personnel Committee or whatever group of another name supervises the pastor's work, to see that vacation time is used each year in order to maintain a healthy pastor and an effective ministry.

The Presbytery recommends increasing paid vacation to 5 weeks for pastors who have been ordained 7 years or more.

Vision benefits

The Board of Pensions' Medical Benefits Plan covers an annual routine eye exam [subject to a copay] at any optometrist or ophthalmologist that is a VSP Choice Network provider, along with small discounts on prescriptions glasses and contact lenses.

For more information, consult the Vision Benefits page at the Board of Pensions' web site.

The Vision Benefits page contains a link to another page from which members can find a VSP Choice Network provider convenient to them.

T. J. DeMarco

PRESBYTERY OF BOSTON

Report of the Stated Clerk

For Action:

Proposed Calendar for 2020

Presbytery Meetings

March 9
Pentecost Celebration – Pentecost is on May 31. Date of celebration to be announced.
September 28
December 7

Council Meetings

January 23
February 27
March 26
April 23
June 25
July 30
August 27
October 29

Presbyterian Church in Needham

There will be a motion related to the work of the Response team for the Presbyterian Church in Needham. I expect this to come to you via the website a few days before the meeting.

2019 Congregation Minutes Review

Date Reviewed	Congregation	Clerk	Exceptions
	Burlington Presbyterian		
11/5/19	Church of the Covenant	Trudi Veldman	No exceptions
	Clarendon Hill	Kristen Sheau	Missing: Review of Church rolls Approval of Sacraments Record of baptisms and new members Reports from Presbytery meetings
11/5/19	Clinton Presbyterian Church	David Leigon	No exceptions
	First Brookline		
	First United Presbyterian Church in Cambridge	Beverly Shenk	
	First Presbyterian Church, Quincy		
11/5/19	First Presbyterian Worcester	Lindsay Goetz	Needs statistical reports, annual review of church rolls, session approval of administration of Lord's supper, needs page numbers
	Fourth Presbyterian Boston		
	Good Shepherd		
11/5/19	Hartford St. Presbyterian	Michael Fitzgerald	Missing annual statistical reports and record of session approval of those elected to office
	Korean Church of Boston	Thomas Kim	
	Newton Presbyterian Church		
11/5/19	Presbyterian Church in Needham	Carol Patey	No exceptions
11/5/19	Presbyterian Church in Sudbury	Thomas Pye	No exceptions
	Primer Iglesia		
11/5/19	Roxbury Presbyterian Churh	Linda Evans	
11/5/19	Taiwanese Presbyterian Church of Greater Boston	Lihwen Li	No exceptions
	Quincy Young Sang		

Cindy Kohlmann

PRESBYTERY OF BOSTON

Report of the Resource Presbyter

December Presbytery Meeting

The December 9 meeting of the Presbytery will feature several guests from the larger church: Elder Vilmarie Cintrón-Olivieri, Co-Moderator of the 223rd General Assembly; the Rev. Dr. Diane Givens Moffett, Executive Director of the Presbyterian Mission Agency; Carrie Mitchell, our new Board of Pensions regional representative. These visits, plus the usual business in December, will make for an exciting evening. Here are some additional details:

- Vilmarie will be preaching for the worship service, focusing on the text of the Good Samaritan and what it means to be a neighbor.

- Diane will be presenting the invitation to be a Matthew 25 church. You can learn more about this initiative of the Presbyterian Mission Agency here: https://www.presbyterianmission.org/ministries/matthew-25/become-a-matthew-25-presbytery-or-synod/

- In response to Diane's presentation, the Council will recommend that the Presbytery of Boston commit to being a Matthew 25 Presbytery, encouraging all of its congregations to explore the ways we already live into this invitation and to also go deeper in pursuing justice for our neighbors.

- As part of their visit, Vilmarie is preaching at Hartford Street Presbyterian Church on Sunday morning, and Diane is preaching at KCB, and bringing greetings to Roxbury Presbyterian.

- I'm going to arrange for a gathering with Vilmarie and Diane before the Presbytery meeting, probably around 4 pm in Brookline. Details will be available soon.

March Presbytery Meeting

Looking ahead to March, I've invited Bryce Wiebe from the Office of Mission Engagement to come to the Presbytery meeting to talk about the Special Offerings of the PC(USA) and help connect more of our churches to the mission we're doing nationally and internationally.

Poor People's Campaign

The Poor People's Campaign, a movement supported by the Presbyterian Church, has announced a march on Washington D.C. to call for a moral revival and Poor People's Assembly. The march will be on June 20, 2020 with the assembly to follow that week. That is the same day as the opening of our 224th General Assembly in Baltimore, and plans are being discussed to find ways to connect

our work together as the PC(USA) with the march and assembly in DC. You can learn more here: https://www.poorpeoplescampaign.org

I want to encourage our congregations in Boston Presbytery to consider sending members to DC to participate in the activities of the Poor People's Campaign. This may also be a possible mission tour connected with our 224th General Assembly.

Service as Co-Moderator

With about six months to go, I'm continuing to enjoy the opportunities to travel and see the church at work across the country and around the world. Thank you so much for your support and encouragement in this time. I truly could not do this without all the ways you have been cheering me on. Here is my travel schedule from now until our March Presbytery meeting:

- November 21-24: Moderator's Conference, Louisville, KY
- November 25-30: Vacation with my family in Washington
- December 14-16: CN Jenkins Memorial Church, Charlotte, NC
- January 9-17: Vacation with Eric
- January 23-26: Presbyteries of de Cristo and Grand Canyon, AZ
- January 27-28: Presbytery of Genesee Valley, NY
- January 29-30: Association of Presbyterian Christian Educators, AR
- January 31-February 4: Synod of Cuba (pending visa approval)
- February 7-10: Presbytery of Miami Valley, OH
- February 12-14: Presbyterian Mission Agency Board/Committee on the Office of the General Assembly, Baltimore
- February 19-23: Presbytery of Tampa Bay
- March 2-5: General Assembly 224 Leadership Selection, Louisville

MOTION: That the bylaws be suspended in order to elect Rev. Jane Wilson to a 3rd term of one year on the Committee on Ministry allowing her to serve for 7 consecutive years.

NOMINATIONS: The Presbytery Nominating Committee brings the following nominations:

- Rev. Theodore J. DeMarco for the position of Stated Clerk a 3 year term starting at this meeting,
- Rev. Jane Wilson for the Committee on Ministry to serve for one year as co-chair,
- Rev. Katherine Pater, a current member of Committee on Ministry, for Committee on Ministry co-chair to serve for 2 years (class 2021),
- Elder Bradley Turner for a 2nd 3-year term on the Committee on Ministry (class of 2022),
- Rev. Kate Carlisle for a 2nd 3-year term on the Committee on Preparation for Ministry (class 2022),
- and Rev. Sarah Hathway for Chair of the Nominating Committee (Nomination comes from Council, Sarah currently serves as Vice Chair).

MOTION: That the Presbytery commission the Presbytery Council to elect:

- a Teaching Elder Commissioner to the 2020 General Assembly,
- a Ruling Elder Commissioner to the 2020 General Assembly,
- and a church member as a Young Adult Advisory Delegate to the 2020 General Assembly.

Rev. Jane Wilson: A life-long Presbyterian, Jane has been ordained for 21 years. She has served churches in Ohio, Arizona, and North Carolina, with members ranging from 85 to over 4000. She has been on a variety of committees in each presbytery of which she has been a member. In 2018, she earned her DMin from Andover Newton.

Jane has been serving the 1st Congregational Church in Milford for six years since moving to Massachusetts. Her husband's job brought them to this area. They have traded moves since marrying. Their family includes two senior Corgis. In her spare time, she enjoys quilting and is a member of a local quilt guild. She sings in a community chorus. She is also mentoring Girl Scouts who are earning a Gold Award.

Elder Bradley Turner: I have been an active member of Roxbury Presbyterian Church for more than 35 years, and an elder for more than 30 years. I am currently on session, the choir and in the past have served as trustee and Clerk of Session for twelve years. I have served previously on Boston Presbytery Mission Group II.

Before relocating to Boston, I was a member of Old Pine Presbyterian Church in my hometown of Philadelphia. I am a fourth generation Presbyterian whose grandmother served on the Presbyterian C.O.C.U. committee on church union and whose parents met while working at the former Presbyterian headquarters in New York and Philadelphia and aunt who worked at the Presbyterian Office for General Assembly in New York and Louisville.

I am currently employed as a researcher in the Biology and Biological Engineering departments at MIT, with degrees from Harvard and Boston University. I enjoy singing in many Boston area church and amateur choirs. I am married to Ivy Jones-Turner, a sixth generation Presbyterian from South Carolina.

David E. Leigon

PRESBYTERY OF BOSTON

Report of the Council

Purpose, Date and Location of Meeting: This Stated Meeting convened on November 21, 2019 in the Parlor of the Korean Church of Boston, 32 Harvard St. Brookline MA.

Present: Katie Cole (Missions & Congregations), T.J. DeMarco (Stated Clerk), Sarah Hathaway (Trustees), Suyoung Kim (At Large), David Leigon (Immediate Past Moderator), Eric Markman (Committee On Ministry), Kristin Reinheimer (Committee for Preparation for Ministry), Ivy Jones Turner (At Large), Mark Wells (At Large)

Others:

Not Present: David Dorer ((Nominating) attending Moderator Training in Louisville), Cindy Kohlmann ((Resource Presbyter) attending Moderator Training in Louisville), Andrew Parmalee ((Treasurer) Illness in the family), Veronica Soto-Feliciano ((Moderator) attending Leadership Training for Hispanic Pastors in Louisville)

Moderator: Since Veronica not present, Eric was asked and agreed to serve as Moderator pro-tem.

Opening: It being determined that a quorum was present, Eric opened the meeting with prayer at 7:10pm.

Adoption of Agenda: TJ asked to amend the agenda for additional items. **It was moved and seconded to approve TJ's request to amend the agenda. *Approved.* It was moved and seconded to approve the agenda as amended. *Approved.***
Approval of Minutes: The minutes from the last meeting (August 22nd) were reviewed. **It was moved and seconded to approve the minutes from the last meeting. *Approved.***

Report of Officers:

Treasurer- Andy was unable to make the meeting due to an illness in the family. He had emailed his reports. After a brief period of review, **it was moved and seconded to accept the Treasurer's Report. *Approved.***

Budget Task Force- Chair Ivy Jones Turner spoke to the Task Force's work, and to the recommendations that will be submitted to presbytery. She asked what points we would want to present at the meeting. There followed a period of review and comment**.** A motion was made,

seconded, and several amendments were suggested and debated. In the end. **It was moved and seconded to present Recommendations 1,2,3,5,6 & 10 from the Budget Task Force Report to Presbytery.** ***Approved.*** After further discussion and review, **it was moved and seconded to ask trustees to identify potential funds for use to meet cash flow needs up to $20,000 for use in FY2020 and FY2021.** ***Approved.***

Presbyterian Foundation Meeting Follow-up- Katie talked about the follow-up, and the questions suggested by Paul Grier at last week's meeting regarding "What churches seek from the presbytery." She and TJ spoke of such a conversation with the Newton Church, and she spoke of a similar conversation at Fourth Boston. Katie suggested that we try and form a "feedback loop" with the churches i.e.: have Council members visit churches to explain "what presbytery is all about." There were questions about the logistics of these visits. In the end, it was decided we would initially meet with our own churches and then determine how to move out from there.

POB Fund Report- TJ spoke to a list of funds restricted by the presbytery he had assembled. The total of these was over $1,361,672. He requested that it be submitted to the Trustees for review and correction as needed. Sarah agreed to take the list to the Trustees.

Moderator- No report.

Stated Clerk- TJ requested that Council approve the establishing of a committee to work with Emerging Ministries. Eric said he was working on such a committee and had a list of individuals interested in serving. After a brief period of Q&A, **it was moved and seconded to approve the establishing of a committee to work with Emerging Ministries.** ***Approved.***

Resource Presbyter- Cindy- as part of her duties as PCUSA Co-Moderator- was traveling and therefore not present. She submitted her report via email. This included action items:
1) **I would like to propose this motion, coming from the Council: that the Presbytery of Boston commit to being a Matthew 25 Presbytery, encouraging all of its congregations to explore the ways we already live into this invitation and to also go deeper in pursuing justice for our neighbors.**
2) **I would like permission to encourage our congregations in Boston Presbytery to consider sending members to DC to participate in the activities of the Poor People's Campaign.** ***Approved.***

Committees of Presbytery:

Committee On Ministry (COM) – No Report. Eric requested 10 minutes on the presbytery meeting docket to discuss compensation guidelines for 2020. ***Approved.***

Committee for Preparation for Ministry (CPM) – No Report. Kristin said CPM would like 10 minutes on the presbytery meeting docket to honor Betty Rots, who will be stepping down as clerk of the committee. ***Approved.*** She also spoke of CPM's recent meeting with several new Inquirers.

Congregations and Mission (C&M) – No Report. Katie asked if she could "recruit" more members for C&M. Her request was met with an enthusiastic "Yes" and a reminder to inform the Nominating Committee.

Trustees - No Report**.** Sarah said they were still looking for another member to round out the Board.

Nominating Committee- No report. Chair Dave Dorer wasn't present, but sent an email list of candidates. In the email, he also said that- since he would be assuming the duties as POB Moderator at the December 9th presbytery meeting- he would be stepping down as chair. Vice-Chair Sarah was asked to assume the duties as Chair. She agreed.

Adjournment and Closing Prayer: With the business of the meeting being concluded, **it was moved and seconded to adjourn.** ***Approved.*** The Meeting was adjourned at 8:40pm with a closing prayer from Ivy.

PRESBYTERIAN CHURCH

(USA)