

Notice of the  
**Stated Meeting**  
of the  
**Presbytery of Boston**  
**Hosted by First Presbyterian Church of Quincy**

**Date/Time:** November 12, 2018, 7:00 PM

**Location:** 270 Franklin St. Quincy, MA

**Pre-Meeting:**

- **Light meal at 6:30 provided by First Presbyterian Church**
- **Meeting officially begins at 7:00 PM**

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](mailto:statedclerk@presbyteryofboston.org) or 401-523-7417

**Worship Offering**

Our worship offering will be directed to support Presbyterian Disaster Assistance Efforts in Southern Cameroon.

**Proposed Docket**  
November 12, 2018  
**Stated Meeting of the Presbytery of Boston**  
First Presbyterian Church, 270 Franklin St., Quincy, MA 02169

		<b>Length</b>
6:30	Registration and Fellowship (Light dinner will be served)	30
<b>*7:00</b>	Call to Order & Declaration of Quorum (David Leigon) Opening Prayer Call for new business Adoption of agenda Introduction of New Elders Seating of Corresponding Members Welcome from Host Congregation	10
7:10	Worship: Offering to support PDA Relief Efforts in Southern Cameroon	25
7:35	Saying Good-Bye and Thank-you to Wren Collé	10
7:45	Presbyterian Church in Sudbury Refugee Presentation (Matt Crane)	20
7:55	Board Pensions: Allison Seed	20
8:15	Report of the Treasurer (Andrew Parmelee)	15
8:30	Report of the Trustees (Rodney Petersen)	5
8:35	Synod Reports	10
8:45	Report of the Stated Clerk (T. J. DeMarco) • This will include amendments to the constitution	20
9:05	Resource Presbyter Report	10
9:15	Report of the Moderator (David Leigon)	5
	<b>Committee Reports</b>	
9:20	Nominating Committee	20
9:40	Committee on Education for Mission	
9:40	Committee on Ministry	20
10:00	Report of Council	5
	New Business (only if requested at beginning of meeting) and Announcements	
	Adjourn	
	<i>* Denotes Order of the day</i> (All other times are guidelines)	

# Presbytery of Boston

<i>Per Capita and Mission Budget for 2018</i>		<i>Budget</i>	
<b>I. Per Capita and Mission Resources:</b>		<b>2018</b>	<b>% Budget</b>
1) Member Church <i>Per Capita</i> (formerly Unified Mission)	\$ 133,672		55.5%
2) Transfer from Trustee Funds - Mission Awards, Grants, Loans	\$ 10,000		4.2%
3) Transfer from Fort Square Settlement Proceeds	\$ 20,000		8.3%
4) Transfer from Trustee Funds (5 Yr Rolling Avg of Interest Income)	\$ 5,000		2.1%
5) YAV Payroll Support	\$ 25,123		10.4%
6) Individual Gifts	\$ 10,000		4.2%
7) Unrestricted-Shared Mission	\$ 30,000		12.5%
8) Designated/Directed Mission	\$ 7,000		2.9%
9) Presbytery Loose Offering			0.0%
<b>RESOURCES Total:</b>		<b>\$ 240,795</b>	<b>100.0%</b>
<b>II. Per Capita and Mission Disbursements:</b>		<b>2018</b>	<b>% Budget</b>
<b>A. Congregational Mission Programs</b>		<b>\$ 10,000</b>	<b>4.1%</b>
1) POB Shared Mission Programs (CCS&D)	\$ 10,000		4.1%
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) PNNE - Green Card Process	\$ -		0.0%
8) Korean Church of Boston (Funded by I2)	\$ -		0.0%
9) Designated/Directed Missions	\$ -		0.0%
<b>B. Other Mission Programs</b>		<b>\$ 15,000</b>	<b>6.1%</b>
1) UTS - Poor People's Campaign			0.0%
2) Community Day Center of Waltham	\$ -		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)	\$ -		0.0%
10) Designated/Directed Mission (other)	\$ 7,000		0.0%
11) PoB Shared Mission Programs (CEM)	\$ 8,000		3.2%
12) Grants - Restricted (from Trustee Funds)	\$ -		0.0%
<b>C. Presbytery Staff, Officer and Office Expenses</b>		<b>\$ 181,093</b>	<b>73.4%</b>
1) Moderator of Presbytery - Expenses	\$ 1,200		0.5%
2) Treasurer - Salary	\$ 20,400		8.3%
3) Treasurer - Related Expenses (Office and FICA)	\$ 5,000		2.0%
4) Stated Clerk - Salary	\$ 30,274		12.3%
5) Stated Clerk - Related Expenses (FICA, Travel & Office, 403b)	\$ 8,203		3.3%
6) Recording Clerk - Stipend	\$ 674		0.3%
7) Audit Expenses	\$ 3,500		1.4%
8) Resource Presbyter - Salary and Offset	\$ 39,902		16.2%
9) RP - Reimbursable Exps (CE, Mileage, Meals, Phone) & D&D, Pension	\$ 10,788		4.4%
10) Presbytery Office Expenses, Rent and Insurance	\$ 9,000		3.6%
11) Administrative Assistant to RP/SC - Salary	\$ 24,179		9.8%
12) Administrative Assistant to RP/SC - Related Expenses (FICA)	\$ 1,850		0.7%
13) YAV Site Coordinator - Salary	\$ 23,338		9.5%
14) YAV Site Coordinator - Related Expenses (FICA)	\$ 1,785		0.7%
15) PoB Web Site Support and Training	\$ 1,000		0.4%
16) Staff Conferences	\$ 2,000		0.8%
<b>D. Presbytery Committees</b>		<b>\$ 8,550</b>	<b>3.5%</b>
1) Presbytery Council/Training and Development	\$ 300		0.1%
2) Committee on Preparation for Ministry	\$ 3,000		1.2%
3) Committee on Ministry	\$ 5,000		2.0%
4) Committee on Congregational Support and Development	\$ -		0.0%
5) Permanent Judicial Commission	\$ 250		0.1%
6) Committee Resources (Pers, COR, Nom, S&B, CEM)	\$ -		0.0%
<b>E. GA and Synod Per Capita and Connectional Expenses</b>		<b>\$ 32,238</b>	<b>13.1%</b>
1) Connectional Support to General Assembly and The Synod of the NE	\$ 30,238		12.2%
2) POB - General Assembly Expenses	\$ 2,000		
<b>DISBURSEMENTS Total:</b>		<b>\$ 246,881</b>	<b>100.0%</b>

2018 *Per Capita* Apportionment: GA \$ 7.73; Synod \$ 4.10; @ 2,387 members

## ***Presbytery of Boston - Board of Trustees Funds***

***Actual - August 31, 2018***

### **Restricted Cash, Investments and Loans**

### **Market Value**

Cash	\$ 20,941
Savings	\$ 208,649
PILP Investment Mission Money Fund	\$ 320,000
(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. (Vost Value - \$ 500,000)	
Investments Long	\$ 913,814
Cash	\$ 100,011
Loans Receivable (Worcester)	\$ 10,494
Loans Ewcweivable (Clinton)	\$ 5,000
Loans Receivable (WCHR-\$50,000 & BCLP-\$25,000)	\$ 75,000
	<b>\$ 1,653,909</b>

### **Restricted Funds**

Trustee Fund - Loans to Churches	\$ 15,494
Trustee Fund - Other (Unrestricted Operating)	\$ 207,405
Kneeland Fund - Regular	\$ 4,745
Kneeland Fund - Special	\$ 1,406
Presbytery Congregational Development Fund	\$ 43,064
Minister's Emergency Fund	\$ 28,545
John Gilchrist Fund	\$ 22,705
The Robie Fund ( \$ 40,000 minimum permanent fund)	\$ 63,958
The Lynn Redevelopment Fund ( \$ 164,947 minimum permanent fund)	\$ 320,384
Roxbury Presbyterian Church Reserve Fund	\$ 20,000
East Boston Funds	
Continuing Education ( \$ 200,000 minimum permanent fund)	\$ 272,937
Equity Sharing	\$ 309,334
Missions	\$ 100,322
Elizabeth Pultz Fund	\$ 7,630
Ft. Square Fund	\$ 166,248
Qaltham Fund	\$ 27,786
Undistributed Accrued Income	\$ 1,544
Change in Value of Investments (gains distributed 12-31-17)	\$ 40,402
	<b>\$ 1,653,909</b>

## ***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.

**Actual - September 30, 2018**

<b>2018</b>	<b>% Budget</b>		
\$ 72,743	54.4%	<u>Balances</u>	
\$ 7,925	79.3%		
\$ 20,000	100.0%	Checking	\$ 40,238
\$ 1,451	29.0%	Savings	\$ 227
\$ 17,446	69.4%	9/30/18	<u>\$ 40,465</u>
\$ 5,710	57.1%		
\$ 15,835	52.8%		
	0.0%		
\$ 2,968	0.0%		
<b>\$ 144,078</b>	<b>59.8%</b>		
<b>2018</b>	<b>% Budget</b>		
<b>\$ 8,125</b>	<b>3.3%</b>	01/01/18	\$ 71,120
	0.0%	Income	\$ 163,793
\$ 2,925	0.0%	Disburse	\$ (194,448)
	0.0%	09/30/18	<u>\$ 40,465</u>
\$ 200	0.0%		
	0.0%	<u>Funds</u>	
	0.0%	Operating	\$ (13,997)
	0.0%	Invest Inc	\$ -
\$ 5,000	0.0%	Peace Offer	\$ 1,491
	0.0%	Waltham	\$ -
<b>\$ 4,543</b>	<b>30.3%</b>	PJC	\$ 500
\$ 575	0.0%	Youth Tri.	\$ 2,794
	0.0%	Pentecost	\$ 731
\$ 1,000	0.0%	PC Conf	\$ 4,463
	0.0%	CEM	\$ 2,000
	0.0%	Pastor's Dev	\$ 6,944
	0.0%	Presb. Day	\$ 543
	0.0%	CPM	\$ 63
	0.0%	Abbey Bos.	\$ 1,474
\$ 2,968	0.0%	CHRA	\$ 540
	0.0%	TTLDev	\$ 21,113
	0.0%	NPC	\$ -
	0.0%	PDA	\$ 350
<b>\$ 130,553</b>	<b>72.1%</b>	Confirm Con	\$ 10,875
	0.0%	Supply Fund	\$ 580
\$ 15,300	75.0%		<u>\$ 40,465</u>
\$ 1,170	23.4%		
\$ 22,706	75.0%	<u>Other Income</u>	
\$ 7,418	90.4%	Investment	\$ 3
\$ 674	0.0%	Grants	\$ 10,875
	0.0%	Funds Crs.	\$ 8,302
\$ 29,926	75.0%	Oper. Crs.	\$ 13,026
\$ 7,445	69.0%		<u>\$ 32,206</u>
\$ 8,907	99.0%	<u>Other Disbursements</u>	
\$ 18,134	75.0%	Funds Disb	\$ 20,944
\$ 1,387	75.0%	Adj	
\$ 16,207	69.4%	Oper Disb	\$ 11,062
\$ 1,240	69.5%	Grants	\$ 801
\$ 39	3.9%		<u>\$ 32,801</u>
	0.0%		
<b>\$ 3,128</b>	<b>36.6%</b>		
\$ 125	41.7%		
\$ 350	11.7%		
\$ 2,653	53.1%		
	0.0%		
	0.0%		
	0.0%		
<b>\$ 29,483</b>	<b>91.5%</b>		
\$ 28,238	93.4%		
\$ 1,245			
<b>\$ 175,832</b>	<b>71.2%</b>		



2018 Per Capita Apportionment and Member Church Mission Pledges and Gifts							YTD - September 30					
CHURCH	Per Capita Share	Ind Gifts	Per Capita PAID	Presbytery Mission	Designated Mission	2017 Per Capita	2017 Des Miss	Total Presbytery	Synod Pledge	Total Synod	GA Pledge	Total GA
Covenant	\$ 2,800			\$ 3,150				\$ 3,150				
			\$ 2,100	\$ 2,362				\$ 4,462				
Fourth	\$ 8,960		\$ 8,000					\$ -				
								\$ 8,000				
Hyde Park	\$ 2,632		\$ 1,800					\$ 1,800				
Pr Iglesia	\$ 3,696		\$ 1,250					\$ -				
								\$ 1,250				
Roxbury	\$ 6,776		\$ 5,000					\$ 5,000				
Brookline	\$ 3,528		\$ 3,528	\$ 472				\$ 4,000				
				\$ 472				\$ 4,000				
Korean	\$ 17,808		\$ 6,944	\$ 1,500				\$ 17,808				
								\$ 8,444				
Beverly	\$ 2,072											
Burlington	\$ 6,944		\$ 4,628	\$ 10,000				\$ 16,944				
				\$ 6,668				\$ 11,296				
Cambridg	\$ 3,080		\$ 1,695					\$ 3,080				
								\$ 1,695				
Clinton	\$ 3,304		\$ 2,880	\$ 1,016				\$ 4,320				
								\$ 2,880				
Good Shp	\$ 5,264		\$ 3,508			\$ 390		\$ -				
								\$ 3,898				
Natick	\$ 7,000		\$ 1,667	\$ 333				\$ -				
								\$ 2,000				
Needham	\$ 4,088		\$ 3,066					\$ -			\$ 1,000	
								\$ 3,066				
Newton	\$ 14,392		\$ 2,800					\$ -				
								\$ 2,800				
F Quincy	\$ 11,256		\$ 7,579					\$ -				
								\$ 7,579				
YngSang	\$ 4,032					\$ 1,545		\$ 1,545				
Somerv'l	\$ 2,016		\$ 1,008					\$ 1,008				
								\$ -				
Sudbury	\$ 8,680		\$ 6,570	\$ 3,750				\$ 10,320				
Waltham	\$ 616		\$ 616					\$ 616				
Whitinsv'l	\$ 6,216		\$ 4,125	\$ 750				\$ -				
								\$ 4,875				
Worcester	\$ 5,992		\$ 982					\$ 982				
								\$ -				
Taiwan	\$ 2,352		\$ 2,352					\$ 2,352				\$ 8,873
Pilgrim			\$ 644					\$ -				
								\$ 644				
Ind Gifts		\$ 2,400										
		\$ 5,710										
<b>Total PC</b>	<b>\$ 133,504</b>											
<b>Total</b>	<b>\$ 133,504</b>	<b>N/A</b>		<b>\$ 14,638</b>	<b>\$ -</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 148,142</b>			<b>\$ 1,000</b>	<b>\$ 8,873</b>
Total Rec			\$ 72,742	\$ 15,835	\$ -	\$ 1,935		\$ 90,512				7
<b>Affirmed</b>	<b>\$ 37,464</b>							<b>\$ 90,512</b>				
%Rec			54%	108%								
		Light \$ = Paid		<b>Bold \$ = Pledged</b>								

PRESBYTERY OF BOSTON  
OPERATING ACCOUNT  
REVIEW OF FINANCIAL STATEMENTS – CASH BASIS  
DECEMBER 31, 2017



PRESBYTERY OF BOSTON  
OPERATING ACCOUNT  
REVIEW OF FINANCIAL STATEMENTS – CASH BASIS  
DECEMBER 31, 2017

Table of Contents

	<u>Page</u>
Independent Accountant's Review Report	1-2
Statement of Assets, liabilities and net assets – cash basis	3
Statement of Revenues, Expenses and other changes in net assets – cash basis	4
Statement of Cash Flows – cash basis	5
Notes to Financial Statements	6-8

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, 2017, 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**

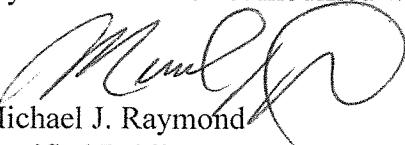
My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting 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.

**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  
October 22, 2018

PRESBYTERY OF BOSTON  
OPERATING ACCOUNT  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS  
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash	\$ 71,120
------	-----------

TOTAL CURRENT ASSETS	71,120
----------------------	--------

PROPERTY AND EQUIPMENT

Land	125,000
------	---------

NET PROPERTY AND EQUIPMENT	125,000
----------------------------	---------

TOTAL ASSETS	\$ 196,120
--------------	------------

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES	\$ -
-------------------	------

NET ASSETS

UNRESTRICTED NET ASSETS	140,067
-------------------------	---------

TEMPORARILY RESTRICTED NET ASSETS	56,053
-----------------------------------	--------

TOTAL NET ASSETS	196,120
------------------	---------

TOTAL LIABILITIES AND NET ASSETS	\$ 196,120
----------------------------------	------------

PRESBYTERY OF BOSTON  
OPERATING ACCOUNT  
STATEMENT OF REVENUES, EXPENSES, AND OTHER  
CHANGES IN NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Current</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support			
Member Church Pledges	\$ 139,949	\$ -	\$ 139,949
Individual Gifts/Directed Mission	10,985	5,659	16,644
Investment/Interest Income	8	-	8
Grants	-	14,270	14,270
Operating Credits/Funds Credits	11,012	39,591	50,603
Loose Offering	-	5,389	5,389
Transfers and Rent	15,937	15,400	31,337
YAV Board Contribution	-	8,210	8,210
Total Revenues, Gains, and Other Support	<u>177,891</u>	<u>88,519</u>	<u>266,410</u>
Expenses			
Per Capita - GA & Synod	27,985	-	27,985
Congregational Missions Programs	246	16,567	16,813
Other Mission Programs	1,508	14,249	15,757
Pres Staff, Officers & Office Expense	143,811	-	143,811
Presbytery Committees	8,198	-	8,198
Operating Disb./Approved Causes	12,218	-	12,218
Grants/Directed Mission	13,469	-	13,469
Loose Offering/Funds Disbursement	(291)	43,219	42,928
Total Expenses	<u>207,144</u>	<u>74,035</u>	<u>281,179</u>
Increase (Decrease) In Net Assets	(29,253)	14,484	(14,769)
Fund Transfer	18,112	(18,112)	-
Beginning Net Assets	<u>151,208</u>	<u>59,681</u>	<u>210,889</u>
Ending Net Assets	<u>\$ 140,067</u>	<u>\$ 56,053</u>	<u>\$ 196,120</u>

PRESBYTERY OF BOSTON  
OPERATING ACCOUNT  
STATEMENT OF CASH FLOWS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ (14,769)
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	<u>-</u>
Chnages in assets and liabilities, excluding required amounts:	
Refundable Deposit	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(14,769)</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	-
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES	-
NET INCREASE (DECREASE) IN CASH	\$ (14,769)
CASH JANUARY 1, 2017	<u>85,889</u>
CASH DECEMBER 31, 2017	<u><u>\$ 71,120</u></u>

PRESBYTERY OF BOSTON  
OPERATING ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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.

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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Presbytery is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

PRESBYTERY OF BOSTON  
OPERATING ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 - CONTINUED  
DECEMBER 31, 2017

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) Temporarily Restricted Assets

Temporarily restricted assets consisted of the following at December 31, 2017

Peace Offering	\$ 1,491
Pentecost Offering	731
Committee on Education for Mission Fund	2,000
Permanent Judicial Commission Fund	500
Gateway	-
Presbyterian Disaster Assistance	350
Youth Triennium/Connection	2,794
Transformation through Leadership Dev	21,129
Newton Presbyterian Church Fund	11,776
Presbyterian Church (USA) Conferences Fund	4,463
Presbytery Day Fund	543
Abbey Boston Fund	1,474
Pastor's Development Fund	6,944
Committee on Preparation for Ministry	938
Christaller Health	540
Shekinah	-
Young Adult Volunteers	-
Supply Fund	<u>380</u>
Total Restricted Funds	<u>\$ 56,053</u>

Note 4) Subsequent Events

Management has evaluated subsequent events through October 22, 2018, the date which financial statements were available for use.

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
REVIEW OF FINANCIAL STATEMENTS – MODIFIED CASH BASIS  
DECEMBER 31, 2017

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
REVIEW OF FINANCIAL STATEMENTS – MODIFIED CASH BASIS  
DECEMBER 31, 2017

Table of Contents

	<u>Page</u>
Independent Accountant's Review Report	1-2
Statement of Assets, liabilities and net assets – modified cash basis	3
Statement of Revenues, expenses and other changes in net assets – modified cash basis	4
Statement of cash flows – modified cash basis	5
Notes to Financial Statements	6-11

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, 2017, 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**

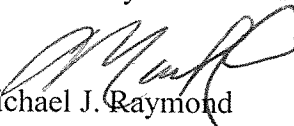
My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting 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.

**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  
October 22, 2018

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash	\$ 329,790
Mission money market fund	320,000
Loans receivable	<u>79,799</u>

TOTAL CURRENT ASSETS		\$ 729,589
----------------------	--	------------

OTHER ASSETS

Investments - long term	873,411
Loans receivable - non-current	<u>9,865</u>

TOTAL OTHER ASSETS		883,276
--------------------	--	---------

TOTAL ASSETS		<u>\$ 1,612,865</u>
--------------	--	---------------------

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES		\$ -
-------------------	--	------

NET ASSETS

UNRESTRICTED NET ASSETS

Current operation fund	\$ 209,096
Loan fund	<u>14,664</u>

TOTAL UNRESTRICTED NET ASSETS		223,760
-------------------------------	--	---------

RESTRICTED NET ASSETS

Temporarily restricted funds	983,065
Permanently restricted funds	<u>406,040</u>

TOTAL RESTRICTED NET ASSETS		<u>1,389,105</u>
-----------------------------	--	------------------

TOTAL LIABILITIES AND NET ASSETS		<u>\$ 1,612,865</u>
----------------------------------	--	---------------------

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
STATEMENT OF REVENUES, EXPENSES, AND OTHER  
CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Current</u>	<u>Loan Fund</u>	<u>Restricted Funds</u>	<u>Total</u>
Revenue				
Investment income	\$ 14,569	\$ -	\$ 79,089	\$ 93,658
Interest income	-	1,830	-	1,830
Offerings		-	4,549	4,549
				<u>4,549</u>
Total Revenues	<u>14,569</u>	<u>1,830</u>	<u>83,638</u>	<u>100,037</u>
Expenses				
Presbyterian Congregational Develop			6,500	6,500
Fort Square to Operating Budget			14,000	14,000
Ministers' Emergency Fund	-	-	2,000	2,000
East Boston Funds disbursements			150	150
Transfer to Unified Mission Resources	1,937	-	-	1,937
Lynn Redevelopment Fund Disbursements	-	-	8,750	8,750
				<u>8,750</u>
Total Expenses	<u>1,937</u>	<u>-</u>	<u>31,400</u>	<u>33,337</u>
Increase (Decrease) In Net Assets	12,632	1,830	52,238	66,700
Fund Transfer	1,830	(1,830)	-	-
Loans Repaid	10,005	(10,005)	-	-
Fund Transfer	(2,567)		2,567	
Beginning Net Assets	<u>187,196</u>	<u>24,669</u>	<u>1,334,300</u>	<u>1,546,165</u>
Ending Net Assets	<u>\$ 209,096</u>	<u>\$ 14,664</u>	<u>\$ 1,389,105</u>	<u>\$ 1,612,865</u>

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 66,700
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Loan receivable	10,005
Realized losses on investments	30,937
Net unrealized gain on investments	<u>(72,102)</u>
TOTAL ADJUSTMENTS	(31,160)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>35,540</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments, net	<u>(66,489)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(66,489)
CASH FLOWS PROVIDED (USED) FROM FINANCING ACTIVITIES	
NET INCREASE (DECREASE) IN CASH	\$ (30,949)
CASH JANUARY 1, 2017	<u>360,739</u>
CASH DECEMBER 31, 2017	<u><u>\$ 329,790</u></u>



PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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.

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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Presbytery is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2017

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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  
TRUSTEES ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2017

Note 3) 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 \$7 not shown below. At December 31, 2017, fair value and unrealized appreciation are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual Funds - Equity	621,032	684,889	63,857
Alternative Investments	39,171	25,003	(14,168)
Fixed Income	<u>168,504</u>	<u>163,519</u>	<u>(4,985)</u>
	<u>\$ 828,707</u>	<u>\$ 873,411</u>	<u>\$ (44,704)</u>

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

<u>For the Year Ended December 31:</u>	<u>2017</u>
Balance at Beginning of Year	\$ 781,443
Income, Net of Fees	50,810
Realized Gains (Losses)	(30,937)
Net Unrealized Gains (Losses)	<u>72,102</u>
Balance at End of Year	<u>\$ 873,418</u>

Income is shown net of investment related fees of \$-0- for the year end December 31, 2017.

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2017

Note 4) Loan Receivable

At December 31, 2017, the loans receivable were comprised of the following:

First Presbyterian Church of Worcester	
3% Per annum, maturity date 12/01/26	\$11,113
First Presbyterian Church of Worcester	
5% per annum, maturity date 06/01/18	3,550
Worcester Community Housing Resources, Inc.	
2% per annum, maturity date 04/15/17	50,000
Boston Community Loan Fund, Inc.	
2% per annum, maturity date 06/30/17	<u>25,000</u>
 Total Loans Receivable	 89,663
Less: current portion	<u>(79,798)</u>
Long Term Loans Receivable	<u>\$9,865</u>

Note 5) 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, 2017, the outstanding balance on the loan totaled \$1,438,716, 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, 2017, the outstanding balance on the loan totaled \$261,339 which matures on October 1, 2026.

The Presbytery of Boston has guaranteed construction and renovation loans for five associated Presbytery churches. The original guarantee total was 1,288,000. As of December 31, 2017, the outstanding balance on the loans total \$503,169.

At December 31, 2017, the organization has \$320,000 in a mission money market fund with an interest rate of .04%.

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2017

Note 6) Temporarily Restricted Assets

Temporarily restricted assets consisted of the following at December 31, 2017

Presbytery Congregational Dev. Fund	\$ 44,993
Ministers Emergency Fund	28,814
John Gilchrist Fund	21,917
Roxbury Pres. Ch. Reserve Fund	21,224
Fort Square Fund	171,524
East Boston Church Fund	
Continuing Education	278,622
Equity Sharing	314,893
Missions	101,078
Total Temporarily Restricted Funds	<u>\$ 983,065</u>

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 7) Restricted Assets

Restricted assets consisted of the following at December 31, 2017

Kneeland Fund – Regular	\$ 5,455
Kneeland Fund – Special	1,574
Elizabeth Pultz Fund	6,745
The Robie Fund	65,053
The Lynn Redevelopment Fund	327,213
Total Permanently Restricted Funds	<u>\$ 406,040</u>

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

PRESBYTERY OF BOSTON  
TRUSTEES ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
DECEMBER 31, 2017

Note 8) Fair Value Measurements

Fair values of assets of the investment fund (see Note 3) measured on a recurring basis at December 31, 2017 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
<u>December 31, 2017</u>		
Mutual Funds – Equity	\$ 684,889	\$ 684,889
Alternative Investments	25,003	25,003
Fixed Income	<u>163,519</u>	<u>163,519</u>
Total	<u>\$ 873,411</u>	<u>\$ 873,411</u>

Note 9) Subsequent events

Management has evaluated subsequent events through October 22, 2018, 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, 2017

PRESBYTERY OF BOSTON  
YOUNG ADULT VOLUNTEERS ACCOUNT  
REVIEW OF FINANCIAL STATEMENTS - CASH BASIS  
DECEMBER 31, 2017

Table of Contents

	<u>Page</u>
Independent Accountant's Review Report	1-2
Statement of Assets, liabilities, and net assets – cash basis	3
Statement of Revenues, expenses, and other changes in net assets – cash basis	4
Statement of Cash Flows – cash basis	5
Notes to Financial Statements	6-8



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, 2017, 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**

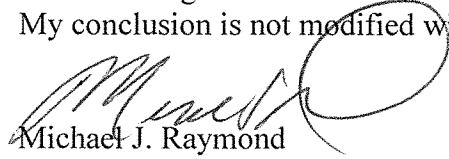
My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting 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.

**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  
October 22, 2018

PRESBYTERY OF BOSTON  
YOUNG ADULT VOLUNTEERS ACCOUNT  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS  
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash	\$ 42,946
------	-----------

TOTAL CURRENT ASSETS	<u>42,946</u>
----------------------	---------------

TOTAL ASSETS	<u><u>\$ 42,946</u></u>
--------------	-------------------------

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES	\$ -
-------------------	------

NET ASSETS

UNRESTRICTED NET ASSETS	<u>42,946</u>
-------------------------	---------------

TOTAL UNRESTRICTED NET ASSETS	<u>42,946</u>
-------------------------------	---------------

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 42,946</u></u>
----------------------------------	-------------------------

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, 2017

	<u>Current</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support			
Individual YAV Support	\$ 9,451	\$ -	\$ 9,451
Partner Agency & Church Support	25,475	-	25,475
Investment/Interest Income	4	-	4
National YAV Office Grant	1,816	-	1,816
New England Presbytery Partnership Group Grant	4,000	-	4,000
Presbyterian Hunger Grant	9,654	-	9,654
Individuals & Church Donations	2,550	-	2,550
Presbytery of Boston Loose Offering	738	-	738
Cash Contribution from POB for Operating Funds	2,020	-	2,020
Total Revenues, Gains, and Other Support	<u>55,708</u>	-	<u>55,708</u>
Expenses			
Personnel	39,758	-	39,758
Living Expenses	29,927	-	29,927
Program Costs	4,334	-	4,334
Other Expenses	442	-	442
Total Expenses	<u>74,461</u>	-	<u>74,461</u>
Increase (Decrease) In Net Assets	(18,753)	-	(18,753)
Beginning Net Assets	<u>61,699</u>	-	<u>61,699</u>
Ending Net Assets	<u>\$ 42,946</u>	<u>\$ -</u>	<u>\$ 42,946</u>

PRESBYTERY OF BOSTON  
YOUNG ADULT VOLUNTEERS ACCOUNT  
STATEMENT OF CASH FLOWS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ (18,753)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	<u>-</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(18,753)</u>
--	-----------------

CASH FLOWS PROVIDED (USED) FROM INVESTING ACTIVITIES	-
--	---

CASH FLOWS PROVIDED (USED) FROM FINANCING ACTIVITIES	-
--	---

NET INCREASE (DECREASE) IN CASH	\$ (18,753)
---------------------------------	-------------

CASH JANUARY 1, 2017	<u>61,699</u>
----------------------	---------------

CASH DECEMBER 31, 2017	<u><u>\$ 42,946</u></u>
------------------------	-------------------------

PRESBYTERY OF BOSTON  
YOUNG ADULT VOLUNTEERS ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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.

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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Presbytery is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

PRESBYTERY OF BOSTON  
YOUNG ADULT VOLUNTEERS ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017

Note 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

PRESBYTERY OF BOSTON  
YOUNG ADULT VOLUNTEERS ACCOUNT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2017

Note 2     Subsequent Events

Management has evaluated subsequent events through October 22, 2018 the date which the financial statements were available for use.



# **SYNOD ASSEMBLY REPORT**

## **Presbytery of Boston**

**November 2018**

The biennial Synod Assembly was held on 21-22 September 2018 in Albany New York. Ruling Elders Sarah Donovan and David Dorer attended as Presbytery of Boston Commissioners. Moderator R.E. Warren McNeil called the meeting called to order on Friday afternoon with a welcome and prayer. We watched a very warm video message from GA co-moderators Cindy Kohlmann and Vilmarie Cintrón-Olivieri. They were traveling to Puerto Rico to be with the church communities there as they faced the one-year anniversary of Hurricane Maria. The message was delivered in what we see as Cindy and Vilmarie's "co-style" of sharing their words in both English and Spanish, being that our Synod has many members that give and receive the Good Word in both languages the message felt very fitting for the Assembly.

The theme for the Assembly was "For Such a Time as This," taken from Esther 4. A theme that once stated, felt very appropriate for the work and topics we would be doing and discussing. Rev. Diane Givens Moffett, Executive Director, Presbyterian Mission Agency, gave the reflection. She recalled the march during General Assembly in St. Louis to peaceably protest a cash-bail system which sends the poor into a downward spiral.

Ruling Elder Jacinth Hanson from the Presbytery of New York City was installed as Moderator for 2019-2020. The Assembly offering was dedicated for Puerto Rico relief. After worship, Revs. Kyle Delhagen, Jeniffer Rodriguez and Garrett Vittorio Schindler led the Synod Assembly in a time of confession and reaffirmation of Baptism. They read a responsive confession, developed by a group of young ministry leaders in our synod including Rev. Kate Carlisle from Boston Presbytery. The confession is titled "A Confession for Such a Time as This." The document is to serve as a confession and reaffirmation of Baptism. As we were in small group and rather time crunched this document didn't have much time to sink into to our thoughts, and give us time to reflect but it did seem to begin to stir some ideas. After talking about this document and having a bit of back and forth as to what could be done to improve or edit it, we left the confession with a promise to touch more upon it on Saturday.

The Synod Clerk, Nancy Talbot, Synod Networker, Amaury Tanon-Santos, and Synod Leader, Harold Delhagen, gave reports.

We spoke on Friday about breaking into "committee of the whole" on Saturday so that the YAADs would be able to be fully included in our discussions and decision making. After which we would return as the body and ratify the work and decisions we made together. Sarah was interested in how that would look on Saturday.

The discussions and decisions on Saturday had a focus on the budget. There was an extended discussion of the budget including the current "draw down" of the Synod endowment. This transfer from assets is being used mostly for Synod mission. The current policy of drawing about \$1,000,000 from the endowment per year will cause those funds to be depleted in about 12 years. Going forward, if the biennial budget is adjusted to taper the draw down by \$100,000 per 2 year budget cycle, then the situation will stabilize in the long run. This adjustment, which was made for the 2019-2020 budget,

Synod Assembly Report - Boston Presbytery - Nov 2018 stated meeting.

will bring the budget into balance over several 2-year cycles and result in a sustainable transfer from assets at approximately \$600,000 per year. As a result of this adjustment, the overall mission budget will decrease by about 25% at the end of this adjustment and the endowment will decrease by about 30%. It was good to see several questions on how we are spending down our reserves and what the future looks like if we continue to lean on our endowment. It was helpful to hear the voices of YAAD's, of the teaching elders who were serving as pastors less than 10 years and from those who had experience on sessions and as pastors for longer than 10 years. The thoughts of what to do with the funds we have and how conservative we should be in the use of them was well discussed and I was happy to see that the thoughts of spending vs not spending was not exclusive to age or years of experience.

The discussion on Saturday was heavily spent on a commissioner resolution that the statement from the young ministry leaders that was shared on Friday be adopted and distributed to all the churches in the synod. This discussion carried on resulting in the extension of the meeting and a pause and moment of prayer by the newly elected Moderator. I feel the heart of the discussion was whether "we" had the right to edit the words written by these young leaders and there was a strong feeling about agreeing with words written but feeling that they need to be edited so that they were not so bold or strong in a way that made others uncomfortable. The theme of "For a Time Such as This" again came back into topic and that the thought of now is the time to stop needing to edit other's words and now is the time to use words that might be uncomfortable but still necessary. The resolution was amended and the synod VOTED to commend "A Confession for Such a Time as This," a statement written by young ministry leaders in the Synod of the Northeast, to the churches of the synod for study as a contextual statement of what Reformed faith can look like, lived out in this place at this time in history, and that it be considered for adoption at a later meeting.

Ruling Elder Jim McKinsey from Good Shepherd was elected to the Synod Permanent Judicial Commission. The Synod commissioners enjoyed wonderful gospel music by the Valley Stream Presbyterian Church (Presbytery of Long Island) Inspirational Community Choir, led by Rev. Phil Jones. The Church received a 2 year Synod Innovation Mission Grant for the creation of the choir. This mixed (men and women) choir works with the WANTED Project. The project's mission is to ensure that young men of color are Worthy, Accountable, Named, Thankful, Empowered, and Determined.

Sarah especially would like to thank the Presbytery for allowing her to serve as a Ruling Elder Commissioner for the second time and allowing her this chance to go with David Dorer and be part of this larger church body.

Respectfully Submitted by Ruling Elders Sarah Donovan and David Dorer.

## **Stated Clerk Report November 12, 2018**

I expect to be on parental leave during the November 12 meeting. The primary area for discussion during my report will be the Amendments to the Constitution from the 223<sup>rd</sup> General Assembly. The amendments are available as a separate document on the section of the website where you found this packet. I posted these several weeks ago to give commissioners extra time to review them in preparing for this meeting. Cindy Kohlmann has agreed to lead that part of the meeting.

### **Presbyterian Historical Society**

As part of our office going virtual, the Resource Presbyter and I dropped off most of our old minister files at the historical society. In the future, these will be available to the Presbytery via requests from the Stated Clerk to the Presbyterian Historical Society.

### **2018 Minutes Review**

I approved the following minutes on behalf of the Presbytery.

Date Reviewed	Congregation	Clerk	Exceptions
10/25/18	Church of the Covenant	Trudi Veldman	Needs financial review
10/25/18	Clinton Presbyterian Church	David Leigon	Needs statistical report included in minutes Missing record of examination of those elected to office
10/25/18	First United Presbyterian Church in Cambridge	Beverly Shenk	Needs financial review
10/25/18	First Presbyterian Worcester	Jody Kelliher	Needs statistical report Election of treasurer Reception of New members and reports back from Presbytery
10/25/18	Hartford St. Presbyterian	Michael Fitzgerald	Missing statistical report
10/25/2018	Korean Church of Boston	Thomas Kim	No exceptions
10/6/2018	Presbyterian Church in Needham	Carol Patey	No exceptions
10/25/18	Presbyterian Church in Sudbury	Jessie Robinson	Needs adoption of church budget Missing financial review Need to start adding treasurer's report to minutes Missing approval of sacraments
10/6/2018	Roxbury Presbyterian Church	Linda Evan	Missing financial Review
10/25/18	Taiwanese Presbyterian Church of Greater Boston	Lihwen Li	No exceptions

## 2019 Calendar

As a reminder, the Presbytery approved the following calendar for 2019.

March 25 – Assembly Meeting  
May 6 – Presbytery Pentecost Celebration  
Summer Special Gathering with PNNE and POB – Date TBD  
September 23 – Assembly Meeting  
December 2 – Assembly Meeting

### Council Meetings, 7:00 PM via Adobe Connect

January 17  
February 21  
April 11  
May 16  
June 20  
July 25  
August 22  
October 24

### **By-Laws (yes, another recommended change)**

As more of our committees now meet online, I am recommending the following changes to our by-laws to match actual practice. Here are the changes. This is for a first reading and not for a vote. Please send questions and comments to [statedclerk@presbyteryofboston.org](mailto:statedclerk@presbyteryofboston.org)

### 3.5 Rules of Order

Meetings of the presbytery, its Council, commissions and committees, shall be conducted in accordance with the most recent edition of Robert's Rules of Order, except in those cases where the Book of Order provides otherwise. Committees and task forces of the presbytery and its Council ~~shall ordinarily~~ *may* meet in face- to-face sessions, ~~but may meet~~ by teleconference or videoconference ~~as needed~~, provided that full opportunity for simultaneous communication is available to all members and that minutes are duly kept and approved.

## **November 2018**

### **Resource Presbyter Report to the Presbytery**



#### **Presbytery Partnership with Common Cathedral for Confirmation Classes**

The Synod Innovation Grant was awarded, and Amanda is hard at work pulling together our first experience. She's adapted a curriculum that is available for congregations to use as part of the confirmation experience. Stay tuned for more information!

#### **Visit by Allison Seed**

Allison Seed, our Board of Pensions representative, is retiring in early 2019, so it is good to have her with us today! She agreed to lead a pre-retirement seminar for ministers from 4-6 pm at First Quincy before the Presbytery meeting, and she will be coming back in January to kick off the Healthy Pastors, Healthy Congregations program for us. More about that further along in my report!

#### **Communications Coordinator Search**

Eight people applied for the position, and all eight had a one-on-one phone interview with a member of the search team. After those interviews, the applicants were narrowed down to four based on qualifications and experience. Those four candidates were interviewed via Adobe Connect by three to four members of the search team. There were two top candidates following those interviews, and with Council's permission, we have moved forward with a background check on the primary candidate. Pending a good result, we intend to offer our top choice the position. The goal is to have the person able to meet with Wren and be available for some transition work at the end of December, and be fully in the position as of January 1.

#### **Healthy Pastors, Healthy Congregations**

The Board of Pensions is rolling out a new program nationwide starting January 1 called Healthy Pastors, Healthy Congregations. You can read more about it on the website:

<http://www.pensions.org/membersandemployers/healthypastorshealthycongregations/> and learn about it in the brochure accompanying my report. The good news is that Allison Seed will be with us on Saturday, January 5, 2019 to jumpstart participation for the churches in Northern New England, Boston, and Southern New England. We will gather at the Bedford Presbyterian Church, 4 Church Rd, Bedford, NH, with registration and refreshments at 9:30 and the program running from 10 am to 2 pm, with lunch included.

#### **May 2019 Retreat**

Have you heard about the PCUSA's new program called Vital Congregations? It's launching a Revitalization Initiative, and we're on their calendar! Here's what the PCUSA website says about the program:

The purpose of the Revitalization Initiative is to work alongside leaders of existing congregations continually assessing, discerning and living into faithful actions that increase vitality through intentional spiritual practices that take them deeper into

following Jesus Christ, so that their own lives are changed, congregations are transformed and the mission of God spreads throughout particular communities and the world.

We are in the process of working out the details, but you can save the dates now. May 2-4, 2019, beginning with dinner on Thursday, May 2 and ending with lunch on Saturday, May 4, we will gather with leaders in the Vital Congregations Office and the Office of Evangelism to explore this initiative and how it can be part of revitalizing our congregations. More details will follow as the plans are firmed up, but share the news with your congregation's leadership and put it on your calendars now! You can learn more on the PCUSA website:

<https://www.presbyterianmission.org/ministries/theology-formation-and-evangelism/vital-congregations/>

### **Co-Moderator Service**

What I would like to highlight with this report is the book that Vilmarie and I have chosen for the One Church, One Book initiative. Here is the Presbyterian News Service article about the book and why we chose it: <http://www.pcusa.org/news/2018/10/30/co-moderators-announce-new-book-study/>

I hope you will consider picking it up and using it in your congregations or for a book study! I can guarantee that the themes in this book will be echoed in the May 2019 retreat, and I'm going to try to bring the author out at some point next spring.

### **Travel/Vacation**

GA: Moderator's Conference, Louisville, November 15-18, preaching and leading a workshop

GA: Ecumenical relations trip, Kenya, Ghana, Liberia, November 28-December 10

Work remotely from the Seattle area in order to visit my parents, December 11-17

Vacation: January 12-19

GA: Presbytery of Florida (where Hurricane Michael made landfall), January 25-28, preaching at the Presbytery meeting and a local congregation, gathering with pastors

GA: Heartland Presbytery GROW Event, February 1-3 keynote speaker, workshop leader, preaching at a local congregation

GA: COGA meeting, Houston, TX, February 4-6

GA: Newark (NJ) Presbytery, February 8-10, Presbytery meeting and local congregation

GA: New Harmony Presbytery (SC), February 22-26, Presbytery meeting, local congregation, meeting with pastors

GA: Peace River Presbytery (FL), February 27-29, Presbytery meeting

GA: Ohio Valley Presbytery (IN), March 1-4, Presbytery meeting and local congregation

GA: NEXT conference, Seattle, March 9-13, preach at local congregation and workshop leader at the conference

ConEd: Presbytery Leader Cohort, Georgia, March 17-22

## The Healthy Pastors, Healthy Congregations Initiative

I came that they may have life,  
and have it abundantly.

— *John 10:10*





To request an engagement  
contact **Allson Seed**  
Church Consultant, Board of Pensions  
[aseed@pensions.org](mailto:aseed@pensions.org) • 215-587-7482



# Healthy Pastors, Healthy Congregations

As people of faith we are called to participate in God’s mission, exhibiting the Kingdom of Heaven to the world; and as Christians we are called further to participate in the redeeming work of Jesus Christ, who calls the Church into its very existence.

The Gospel of John roots the redemptive life of Jesus in the creative character of God:

**In the beginning was the Word, and the Word was with God, and the Word was God. ... All things came into being through him.**

— John 1:1

Because they sought restoration of the goodness of God’s design and desire, the prophets were insistent in their cry for shalom, which is justice in the form of wholeness and well-being. These themes are certainly central to Jesus’ assurance:

**I came that they may have life, and have it abundantly.**

— John 10:10

Wholeness and well-being — this is the standard by which our work is judged. Through the provision of benefits, programs, and resources that promote wholeness and sustain the well-being of church workers, the Church helps its servants devote their best gifts and energies to God’s kingdom. From early times, the Church advocated for just compensation for its servants. Jesus sent 70 followers ahead of him, preparing the way. He instructed them:

**Remain in the same house, eating or drinking whatever they provide, for the laborer deserves to be paid.**

— Luke 10:7

Our Reformed understanding of vocation affirms that all who serve in congregations are called by the Holy Spirit. Our understanding of the community of faith includes active pastoral leadership to equip the congregation for dynamic worship and ministry.

**Now you are the body of Christ and individually members of it. And God has appointed in the church first apostles, second prophets, third teachers; then deeds of power, then gifts of healing, forms of assistance, forms of leadership. ... But strive for the greater gifts. And I will show you a still more excellent way.**

— 1 Cor. 12:27-31

How we treat those who respond to God’s call to ministry, whether ordained as ministers or not, is a witness to the Lordship of Christ Jesus and often stands in contrast to the norms of the marketplace.

**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

# Ways To Participate

The Healthy Pastors, Healthy Congregations initiative gives PC(USA) churches an extraordinary opportunity to lift the financial burden off of congregational pastors, so they may devote their best gifts and energies to God’s kingdom. The Board of Pensions invites you to participate in this initiative in one of three ways:

- 1

## Congregational Leadership Program

We ask you, as a member of Session or the Personnel Committee, to participate in educational sessions that can help you be a better financial steward of your congregation and a caring financial mentor to, and advocate for, your pastor. By covenanting to participate in the Healthy Pastors, Healthy Congregations initiative, you are making a meaningful commitment to help lift up your pastor, so that your church may continue to thrive.
- 2

## Pastor Financial Education and Grant

As an eligible congregational pastor, you receive in-person and online financial management education to help you with the financial dimension of wholeness. You may confidentially apply for a grant of up to \$10,000 from the Board’s Ministerial Excellence Fund to help defray personal debt or establish adequate personal retirement savings.
- 3

## Financial Contribution

We ask that you give as generous a gift as you can to help transform the PC(USA) as Healthy Pastors, Healthy Congregations is introduced to congregations. When you take this step, you will help strengthen church leadership and, in turn, our denomination: You will help Christ’s church to flourish. Thank you!



# Ministerial Excellence Fund

The Ministerial Excellence Fund will make grants of up to \$10,000 to eligible PC(USA) pastors who, along with their congregational leaders, participate in the initiative.

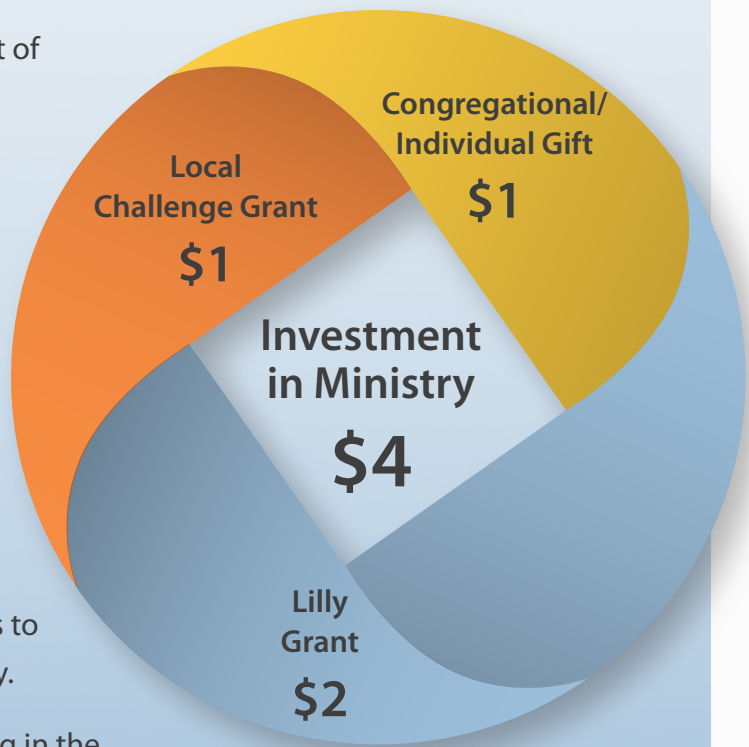
The fund for North Carolina is expected to total \$500,000. The Board of Pensions is honored to have secured

- a grant from the Lilly Endowment Inc. that will match each dollar raised locally; and
- a local challenge grant of \$125,000.

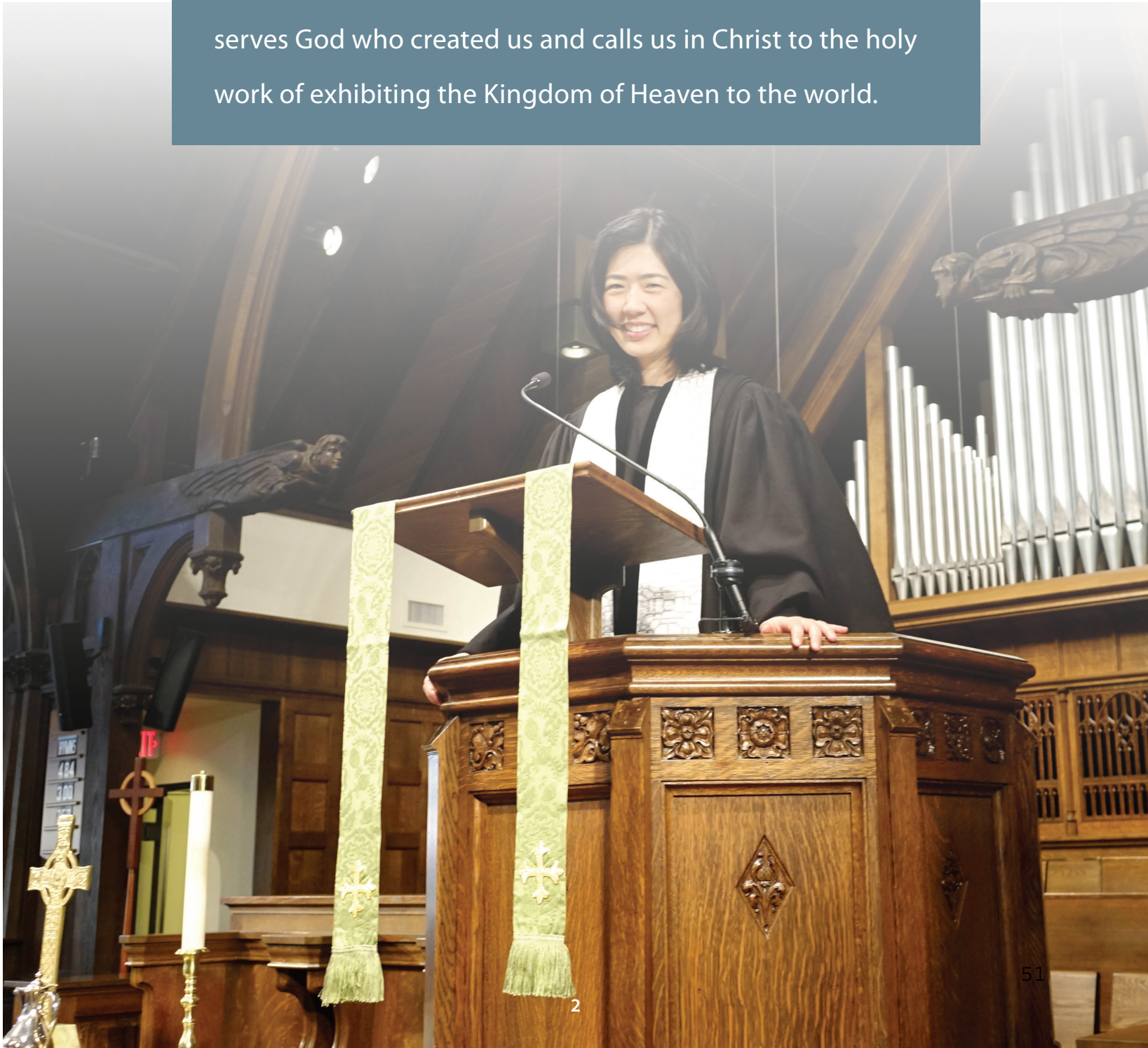
This leaves a balance of \$125,000 to be raised.

As a result, each dollar given to the Ministerial Excellence Fund by a congregation or individual will yield three dollars more, for a total of four dollars, to remove or alleviate financial obstacles to continued pastoral ministry.

Congregations participating in the Healthy Pastors, Healthy Congregations initiative are asked to contribute to the fund according to their means.



When the Church lives in balance, with healthy pastors energizing healthy congregations, it lives out its identity as a just and caring community; it stands as a witness to the world. Thus, with the entire Church, the Board of Pensions serves God who created us and calls us in Christ to the holy work of exhibiting the Kingdom of Heaven to the world.



# Building Up the Body of Christ

Congregational pastors of the Presbyterian Church (U.S.A.) are called to

- study, teach, and preach the Word of God;
- celebrate Baptism and the Lord's Supper; and
- pray with and for the congregation.

They are responsible for “a quality of life and relationships that commends the gospel to all persons and communicates its joy and justice.” (*Book of Order*, G-2.0504)

The Board of Pensions of the Presbyterian Church (U.S.A.) — which provides benefits, assistance, and educational support to PC(USA) clergy, other church workers, and their families — believes pastors are indispensable to creating and sustaining strong communities of faith, for it is they who nurture the understanding of what it means to follow Christ. Yet these same faithful pastors face significant economic challenges to effective ministry in the world today — on both a personal and congregational level:

- On a personal level, many recently ordained pastors and their families are burdened by significant undergraduate and seminary debt.\* Some pastors express concern about the escalating cost of educating their children while attempting to prepare for their own retirement. Still others fear that a healthcare crisis could spell financial ruin.
- On a congregational level, pastors are expected to lead conversations about budgeting, finance, and the compensation of church employees. But, without training in finance, their effectiveness in these deliberations may be limited.

To help Presbyterian Church (U.S.A.) pastors address the growing financial challenges to ministry, the Board of Pensions has developed **Healthy Pastors, Healthy Congregations**. This initiative, designed to help ministers and congregations work together for financial sustainability, provides education and financial resources.

\* Lilly Endowment Makes Grants to Strengthen the Financial Sustainability of Human Service Agencies, January 13, 2017

# Program Components

The Healthy Pastors, Healthy Congregations initiative has three components:

**Congregational leader education:** Session and Personnel Committee members and other congregational leaders, along with their pastor, commit to six hours of educational sessions on A Theology of Benefits, Church Budgeting and A Culture of Generosity, and Financial Realities Facing Pastors. These sessions cultivate an understanding of effective congregational ministry by teaching participants to

- recognize and properly define financial concepts that have a direct impact on congregational life;
- develop deliberate methods of financial analysis and decision-making;
- improve stewardship through effective management of church finances; and
- care for pastoral leadership in part through just compensation and benefits.

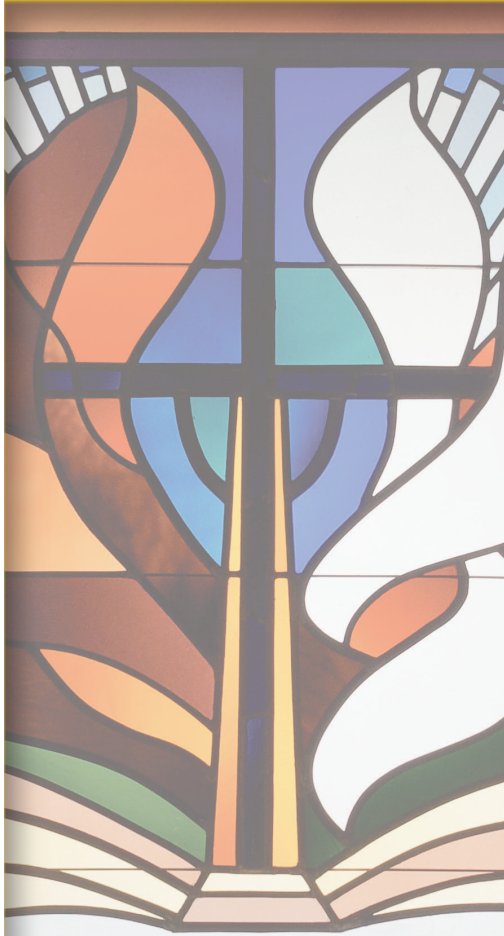
**Pastor education:** Pastors commit to seven, 20-minute online training modules. After this grounding in financial literacy and management skills, the pastor is led through a personal financial assessment by an independent financial advisor. These educational opportunities

- strengthen church budgeting and financial stewardship skills;
- prepare participants to recognize and properly define financial issues that can adversely affect pastoral life;
- identify points of support and how to access and utilize these resources effectively; and
- equip pastors to develop and implement a personal financial plan.

**Financial grants to pastors:** Once a participating church's congregational leaders complete the six hours of sessions and the pastor completes seven online segments plus the financial assessment, the pastor is eligible to apply for a grant of up to \$10,000 from the Board's Ministerial Excellence Fund. This grant may be used to

- reduce personal debt; and/or
- help establish adequate personal retirement savings.

See *Ministerial Excellence Fund*.





TO: Council/ Presbytery

FROM: David Leigon, Moderator

DATE: November 3, 2018

SUBJECT: Activities to date

- Monday September 24<sup>th</sup>, I moderated the Presbytery meeting held at Newton Presbyterian.
- Saturday September 29<sup>th</sup>, I participated in the 125<sup>th</sup> Anniversary Celebration for Clinton Presbyterian
- Sunday September 30<sup>th</sup>, I participated in the 125<sup>th</sup> Anniversary Service at Clinton Presbyterian
- Thursday October 18<sup>th</sup>, I chaired the online Council meeting.
- Sunday October 28<sup>th</sup>, I participated in the Service of Celebration of the Taiwan Presbyterian Church of Boston in their new home in Waltham.

Respectfully Submitted;

David Leigon,

Moderator

## The Last Report of the Committee on Education For Mission

On October 27<sup>th</sup>, in the last meeting in the history of the Committee of Education for Mission as it currently stands, the committee voted that:

We disburse \$250 to every congregation in our Presbytery with the charge to use the funds to support Christian Education and/or Mission, and report back to the Committee on Mission & Congregations committee by March 2019 on what use each congregation came up with.

Here is a list of all the congregations:

1. Gateway Church,
2. Church of the Covenant (Federated with UCC) Downtown Boston,
3. Fourth Presbyterian Church (South Boston),
4. Hyde Park Presbyterian Church (Hyde Park),
5. Primera Iglesia Presbiteriana Hispana de Boston,
6. Roxbury Presbyterian Church (Roxbury),
7. Shekinah Presbyterian Church in Brockton,
8. First Presbyterian Church of Brookline,
9. Korean Church of Boston (PCUSA),
10. The Presbyterian Church in Burlington,
11. First United Presbyterian Church,
12. Presbyterian Church (USA) in Clinton,
13. Shekinah Presbyterian Church in Clinton,
14. Good Shepherd Presbyterian Church,
15. Hartford Street Presbyterian Church,
16. Shekinah Presbyterian Church in Natick,
17. The Presbyterian Church in Needham,
18. Newton Presbyterian Church,
19. First Presbyterian Church,
20. Quincy Young Sang Presbyterian Church,
21. Clarendon Hill Presbyterian Church,
22. The Presbyterian Church in Sudbury,
23. Taiwan Presbyterian Church of Greater Boston,
24. United Presbyterian Church at Whitinsville,
25. First Presbyterian Church,
26. Christaller Presbyterian Fellowship,

Additionally, the committee voted to add to this list of \$250 recipients,

27. Common Cathedral (where Amanda Grant Rose works), and
28. Newbury Court (where Rev. Kristin Rinehimer and Rev. Sarah Hathaway are chaplains)

Disbursements to these two institutions are also for the purpose of Christian Education and/or Mission, and these institutions shall report back to the Committee on Mission and Congregations by March 2019 on how the funding was/is/shall be used.

Finally, the committee voted to disburse \$3000 to Camp Wilmot, in gratitude for their support of Christian formation and mission. That funding is to be used toward the cost of children/youth in Presbytery of Boston participating in the Summer program or the Wilmot Winter Weekend.

## **Report from the Committee on Ministry to Presbytery, November 12, 2018**

Jane Wilson, Co-chair, Committee on Ministry

### **I. For Information**

COM voted to dismiss the following teaching elders:

Matthew Johnstone to Missouri River Valley Presbytery.  
Don Hammond to the Presbytery of Long Island.  
Virginia Coakley to Susquehanna Valley Presbytery  
Lucy Forster-Smith to Presbytery of Chicago  
Thomas Forster-Smith to Presbytery of Chicago  
Carolyn Helsel to Mission Presbytery  
Philip Helsel to Mission Presbytery  
Aaron Serna to San Joaquin Presbytery  
Renn Serna to San Joaquin Presbytery

COM voted the Covenant between the Session of Good Shepherd Presbyterian Church and TE Pamela Spence Bakker as Interim Pastor, three-quarters-time, from November 12, 2018 through November 15, 2019.

COM voted to appoint TE Pamela Spence Bakker moderator of the session the Good Shepherd Presbyterian Church.

COM voted the Covenant between the Session of Presbyterian Church in Sudbury and TE Kevin Campbell as Temporary Supply Pastor from October 14, 2018 to October 2019.

COM voted to appoint TE Kevin Campbell as moderator of the session the Presbyterian Church in Sudbury.

COM voted to approve the 2019 Minimum Compensation Standards, for installed Pastors, Associate Pastors and Designated Pastors. This includes a 3% increase and a One (1) week Paid Sick Leave (see below for recommendation for vote by presbytery).

COM voted to approve the job description from the session of the First Presbyterian Church of Worcester for part-time Designated or Stated Supply Pastor.

### **II. For Action**

COM recommends that the presbytery approve the proposed 2019 Minimum Compensation Standards, for installed Pastors, Associate Pastors and Designated Pastors (see attached 2019 Minimum Compensation Standards).

COM recommends that TE Pamela Spence Bakker, a member in good standing of Southern New England Presbytery be allowed to labor within the bounds of the Presbytery of Boston that she may serve Good Shepherd Presbyterian Church as Interim Pastor.

# PRESBYTERY OF BOSTON

## 2019 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 *2019 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*<sup>1</sup>, 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

---

<sup>1</sup> 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<sup>2</sup>, on which the Board of Pensions dues<sup>3</sup> 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<sup>4</sup>.

---

<sup>2</sup> See Section IV.B.1. below for instructions how to compute Effective Salary.

<sup>3</sup> See Section IV.B., especially IV.B.3., for instructions how to compute the Board of Pensions dues.

<sup>4</sup> 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<sup>5</sup> 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<sup>6</sup> 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

---

<sup>5</sup> Consult the most recent *Minimum Compensation Standards* document for the current minimum amounts required for each of these categories.

<sup>6</sup> 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				\$57,638.00
<b>Adjustment rule:</b> 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	\$57,638.00
1	1%	1.0%	576.00	\$58,214.00
2	2%	2.0%	1,153.00	\$58,791.00
3	3%	3.0%	1,729.00	\$59,367.00
4	4%	4.0%	2,305.00	\$59,944.00
5	5%	5.0%	2,882.00	\$60,520.00
...	...	...	...	...
9	9%	9.0%	5,187.00	\$62,826.00
10	10%	10.0%	5,764.00	\$63,402.00
11	10% + 0.5%	10.5%	6,052.00	\$63,690.00
12	10% + 1%	11.0%	6,340.00	\$63,978.00
13	10% + 1.5%	11.5%	6,628.00	\$64,266.00
14	10% + 2%	12.0%	6,917.00	\$64,555.00
15	10% + 2.5%	12.5%	7,205.00	\$64,843.00
...	...	...	...	...
20	10% + 5%	15.0%	8,646.00	\$66,284.00
...	...	...	...	...

25	10% + 7.5%	17.5%	10,087.00	\$67,725.00
...	...	...	...	...
30	10% + 10%	20.0%	11,528.00	\$69,166.00

## 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.

$$\text{Dues} = \text{dues\%} \times \text{effective salary}$$

- 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 - 2019*.

#### 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 - 2019*.
- 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 - 2019*.

### C. SECA

1. The mandatory SECA Offset is one-half of the pastor's SECA obligation<sup>7</sup>.

---

<sup>7</sup> See the definitional entry for *SECA Offset* below.

- a. For many years<sup>8</sup> 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.

---

<sup>8</sup> 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 employee'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<sup>9</sup>. 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.

---

<sup>9</sup> 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<sup>10</sup>, 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.

---

<sup>10</sup> 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.<sup>11</sup>

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.

---

<sup>11</sup> 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 formula* 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<sup>12</sup> rather than hours per week.

A full-time call in the Presbytery of Boston is often said to involve 14 units<sup>13</sup>; 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<sup>14</sup>.

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

---

<sup>12</sup> 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.

<sup>13</sup> A few presbyteries formally define full-time service to involve 13, or rarely only 12, units.

<sup>14</sup> 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<sup>15</sup> without the advice of a qualified professional tax advisor.

---

<sup>15</sup> 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<sup>16</sup>, 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.

---

<sup>16</sup> 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<sup>17</sup> 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.

---

<sup>17</sup> 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<sup>18</sup> 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<sup>19</sup> 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

---

<sup>18</sup> 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.

<sup>19</sup> 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<sup>20</sup> 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.

---

<sup>20</sup> 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.

# PRESBYTERY OF BOSTON

## 2019 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 2019. 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<sup>1</sup>, 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 2019 is \$ 57,638. 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 2019: 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<sup>2</sup>, 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

---

<sup>1</sup> 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.

<sup>2</sup> 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 2019.**

#### **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 2019, 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: \$ 57,638

Recommended increase in compensation: 3 %

Minimum Unit Compensation \$ 90

### Mandatory benefits:

Board of Pensions dues: 37%

Vacation 4 or 5 weeks

SECA Offset 7.65 %

Study Leave 2 weeks

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].

- 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 Council  
Minutes  
October 18, 2018**

**Attendance:**

Voting Members: David Leigon, David Dorer, Eric Markman, Trina Portillo  
Non-Voting: Andrew Woodall Parmelee, Cindy Kohlmann, T. J. DeMarco  
Excused: Rodney Petersen, Veronical Soto Feliciano

**Convene:**

David Dorer opened the meeting with prayer.  
The council approved the agenda, which was amended.

**Treasurer's Report**

By: Andrew Woodall Parmelee

The council reviewed the reports submitted by the treasurer. Council reviewed the 2019 budget.  
The conversation on the budget was paused to allow for the order of the day.

[Executive Session]

The council **voted** to form a review committee of at least 3 people to follow-up.

**Treasurer's Report (continued):**

By: Andrew Woodall Parmelee

The council **voted** to recommend the following to the Presbytery for the 2019 Budget:

Reduce II.A.1 and II.B.1 from 17,500 each to 10,000 each  
Set total per capita at \$56 for 2019  
Transfer funds required from the Fort Square Fund to pay for the deficit.

**Stated Clerk's Report**

By: T. J. DeMarco

The council reviewed the docket for the November Presbytery meeting.  
The council **voted** to request a brief report from the board of trustees on the current funds regarding what is restricted, what is unrestricted, and what may be restrictions may be changed by Presbytery action.

**Report of the Resource Presbyter**

By: Cindy Kohlmann

The council **voted** to grant the Stated Clerk the following paternity leave:  
1 week of no work



3 weeks of no meetings  
4 weeks working from home after the week off

The council **voted to recommend** that Presbytery elect David Dorer to serve as the clerk pro-tem at the Presbytery meeting if the Stated Clerk is unable to attend.

The council **voted to designate** the Presbytery offering for relief in Southern Cameroon through Presbyterian Disaster Assistance. This will be sent along with funds raised through the concert for Cameroon that the Presbytery is hosting.

Allison Seed from the Board of Pensions will be with us for the November Presbytery meeting. She will offer a pre-presbytery gathering on pre-retirement.

On November 13, she will host a lunch for retired pastors.

There is a new initiative of that the Board of Pensions is starting for 2019. It is designed to help ministers with wise financial practices and wise budgeting decisions. There are two components. One is for a session to gather for education. The other is for pastors to do online webinars. If the session finishes the program and the pastor finishes, the pastor is eligible to receive a \$10,000 grant. Allison Seed from the Board of Pensions is coming on January 5 to the Bedford congregation to work with sessions on this.

#### Communication Coordinator Search

The communication coordinator search has gone well through the council search committee. There have been 8 candidates with 4 men and 4 women and one person of color. After interviewing all 8, the pool narrowed to 4. The committee interviewed those 4 via Adobe Connect. There is a top candidate and a second candidate who would also be a good fit. The resource Presbyter brought brief written descriptions of both candidates.

The council **directed** the search committee to send the resumes to the council and that council would vote by email once the reference checks are completed.

The council **voted to ask** Jen Dickinsen to work for 1 hour per week for the Presbytery to sort the mail that still comes to the former Presbytery office in Clinton with a reasonable rate to be negotiated between Jen and the Resource Presbyter.

The council **voted to designate** a \$200 budget for the Resource Presbyter to find a way to honor Wren Colle at the Presbytery meeting in November.

### **Report of Standing Committees**

#### **Committees of Council**

##### **Committee on Ministry**

COM is working on a significant conflict in a congregation, but the chair didn't feel comfortable sharing more details.

### **Nominating Committee**

Nominating's biggest challenge right now is for the vice-moderator position. Another challenge is filling positions on the Committee on Ministry.

The meeting adjourned with prayer at 9:30 PM.

<b>2019 Budget Worksheet (Draft 2) - Presbytery of Boston</b>				
	<b>Budget</b>		<b>Budget</b>	
<b>I. Per Capita and Mission Resources:</b>	<b>2018</b>	<b>% Budget</b>	<b>2019</b>	<b>% Budget</b>
1) Member Church <i>Per Capita</i> (formerly Unified Mission)	\$ 133,672	55.5%	\$ 115,640	47.1%
2) Transfer from Trustee Funds - Mission Awards, Grants, Loans	\$ 10,000	4.2%	\$ 10,000	4.1%
3) Transfer from Fort Square Settlement Proceeds	\$ 20,000	8.3%	\$ 58,003	23.6%
4) Transfer from Trustee Funds (5 Yr Rolling Avg of Interest Income)	\$ 5,000	2.1%	\$ 991	0.4%
5) YAV Payroll Support	\$ 25,123	10.4%	\$ 12,315	5.0%
6) Individual Gifts	\$ 10,000	4.2%	\$ 8,000	3.3%
7) Unrestricted-Shared Mission	\$ 30,000	12.5%	\$ 35,000	14.2%
8) Designated/Directed Mission	\$ 7,000	2.9%	\$ 500	0.2%
9) Presbytery Loose Offering		0.0%	\$ 5,300	2.2%
<b>RESOURCES Total:</b>	<b>\$ 240,795</b>	<b>100.0%</b>	<b>\$ 245,749</b>	<b>100.0%</b>
<b>II. Per Capita and Mission Disbursements:</b>	<b>2018</b>	<b>% Budget</b>	<b>2019</b>	<b>% Budget</b>
<b>A. Congregational Mission Programs</b>	<b>\$ 10,000</b>	<b>4.0%</b>	<b>\$ 15,250</b>	<b>6.2%</b>
1) POB Shared Mission Programs	\$ 10,000	4.0%	\$ 10,000	4.1%
2) East Boston CE Grant	\$ -	0.0%		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 Trustees Funds - Funded by I2)	\$ -	0.0%	\$ 5,000	2.0%
8) Korean Church of Boston (Funded by I2)	\$ -	0.0%		0.0%
9) Designated/Directed Missions (other - Funded by I8)	\$ -	0.0%	\$ 250	0.1%
<b>B. Other Mission Programs</b>	<b>\$ 15,000</b>	<b>6.0%</b>	<b>\$ 20,550</b>	<b>8.4%</b>
1) PoB Shared Mission Programs	\$ 8,000	3.2%	\$ 10,000	4.1%
2) Community Day Center of Waltham	\$ -	0.0%		0.0%
3) Presbyterian Disaster Assistance - Harvey and Atlantic 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))	\$ -	0.0%	\$ 5,300	2.2%
10) Designated/Directed Mission (other - Funded by I8))	\$ 7,000	2.8%	\$ 250	0.1%
11) UTS - Poor People's Campaign	\$ -	0.0%		0.0%
12) Grants - Restricted (from Trustee Funds - Funded by I2)	\$ -	0.0%	\$ 5,000	2.0%
<b>C. Presbytery Staff, Officer and Office Expenses</b>	<b>\$ 183,093</b>	<b>73.6%</b>	<b>\$ 175,451</b>	<b>71.4%</b>
1) Moderator of Presbytery - Expenses	\$ 1,200	0.5%	\$ 1,200	0.5%
2) Treasurer - Salary	\$ 20,400	8.2%	\$ 20,400	8.3%
3) Treasurer - Related Expenses (Office and FICA)	\$ 5,000	2.0%	\$ 5,000	2.0%
4) Stated Clerk - Salary	\$ 30,274	12.2%	\$ 30,274	12.3%
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	\$ 3,500	1.4%	\$ 4,500	1.8%
8) Resource Presbyter - Salary and Offset	\$ 39,902	16.0%	\$ 39,902	16.2%
9) RP - Reimbursable Exps (CE, Mileage, Meals, Phone) & D&D, Pension	\$ 10,788	4.3%	\$ 10,788	4.4%
10) Presbytery Office Expenses, Rent and Insurance ENDED 2018	\$ 9,000	3.6%	\$ -	0.0%
10) Commercial Package and Workmans' Compensation Insurances			\$ 3,300	1.3%
11) Administrative Assistant to RP/SC - Salary ENDED 2018	\$ 24,179	9.7%	\$ -	0.0%
12) Administrative Assistant to RP/SC - Related Expenses (FICA)	\$ 1,850	0.7%	\$ -	0.0%
11) Communications Coordinator - Salary NEW POSITION 2019	\$ -		\$ 30,000	12.2%
12) Communications Coordinator - Related Exps (FICA, Benefits, Exps)	\$ -		\$ 8,295	3.4%
13) YAV Site Coordinator - Salary	\$ 23,338	9.4%	\$ 11,440	4.7%
14) YAV Site Coordinator - Related Expenses (FICA)	\$ 1,785	0.7%	\$ 875	0.4%
15) PoB Web Site Support and Training	\$ 1,000	0.4%	\$ 100	0.0%
16) Staff Conferences	\$ 2,000	0.8%	\$ 500	0.2%
<b>D. Presbytery Committees</b>	<b>\$ 8,550</b>	<b>3.4%</b>	<b>\$ 7,550</b>	<b>3.1%</b>
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	\$ 5,000	2.0%	\$ 4,000	1.6%
4) Committee on Congregational Support and Development	\$ -	0.0%	\$ -	0.0%
5) Permanent Judicial Commission	\$ 250	0.1%	\$ 250	0.1%
6) Committee Resources (Pers, COR, Nom, S&B, CEM)	\$ -	0.0%	\$ -	0.0%
<b>E. GA and Synod Per Capita and Connectional Expenses</b>	<b>\$ 32,238</b>	<b>13.0%</b>	<b>\$ 26,948</b>	<b>11.0%</b>
1) Connectional Support to General Assembly and The Synod of the NE	\$ 30,238	12.1%	\$ 26,948	11.0%
2) POB - 2020 General Assembly Expenses	\$ 2,000		\$ -	0.0%
<b>DISBURSEMENTS Total:</b>	<b>\$ 248,881</b>	<b>100.0%</b>	<b>\$ 245,749</b>	<b>100.0%</b>

2018 *Per Capita* Apportionment: GA \$ 7.73; Synod \$ 4.10; @ 2,387 members

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



\_\_\_\_\_



## **Presbytery of Boston 2019 Budget Comments**

The Presbytery's proposed operating budget for 2019 leads the Presbytery into new and uncharted territory. There are at least three primary reasons for this.

First, the Council is not recommending an increase in the per member rate of the Presbytery's portion of *per capita* as it has in previous years, recognizing full well the difficulties this line item can place on sessions budgets as they attempt to meet the challenges of ministry within their own midst. Such is a temptation, of course, since the financial pressures on the Presbytery are increasing as well, but prayerfully we sense that in time this issue can, with hard work, be resolved. The Presbytery portion of *per capita* remains at \$ 42.95 per member; the small increase in the total *per capita* assessment comes from the little over \$ 1 increase in its share by the General Assembly. Presbytery's membership at the end of 2017 was approximately 300 members less than the year before, due in large part to the issues facing Newton at the time. That means that our expectation as a Presbytery of *per capita* income is reduced from something in excess of \$ 130,000 to \$ 115,640. Even so, Council does not wish to propose any increase at this time.

Secondly, the task force Presbytery established some months ago proposed to Council (which proposed same to Presbytery and which Presbytery authorized) the establishment of a new position within the Presbytery staff which is expected to help us communicate, share and grow our mission potential together. This new position which is budgeted at \$ 38,295 adds, even with staff reorganization, another approximately \$ 13,000 to the overall budget. Other areas of the budget have been trimmed or removed, such as office rent, but the expense side increase to the budget is substantial especially in light of the decrease to the income side. That being said, however, does not diminish the fact that Presbytery's mission is, to the far great extent, its staff which is supported to inspire, lead counsel, facilitate and sustain the Presbytery in all its parts as it serves and shares the Gospel within the greater Boston area.

Thirdly, this budget is asking Presbytery to continue to draw from, and at a much increased rate, resources held currently by the Trustees of Presbytery. The Trustees' assets are, for the most part, all permanently restricted and cannot be used other than for their designated causes (in theory a couple of those funds could be recast by Presbytery should it deem appropriate). A small portion currently remains unrestricted, the proceeds from the Fort Square settlement, as Presbytery has as yet to determine a specific purpose for these funds. For two years Presbytery has drawn on the Fort Square proceeds to help sustain its budget, but for the coming year a significantly large number has been inserted into the line item - \$ 58,003. Council views such a use of these monies as an investment in Presbytery's future. But it is obvious to all that the use of these funds as such a rate cannot be sustained indefinitely. The use of these resources now in this fashion is trusted as a step forward in faith.

With the adoption of this budget Council and Presbytery will need to work diligently in the support of our congregations and sessions, not simply to enhance the strength of their ministries, but to insure the growth and sustainability of the Presbytery as well.

## 2019 Per Capita Boston Presbytery

Church	2017 Membership	Total: 56.00	GA: 8.95; Synod: 4.10; Presbytery: 42.95
Covenant	53 (+3)	2,968	
Fourth	163 (+3)	9,128	
Hyde Park	46 (-1)	2,576	
Primera Iglesia	66 (no change)	3,696	
Roxbury	126 (+2)	7,056	
Brookline: First	63 (no change)	3,528	
Korean Church	327 (+9)	18,312	
Burlington	124 (no change)	6,944	
Cambridge	52 (-3)	2,912	
Clinton	59 (no change)	3,304	
Good Shepherd	83 (-11)	4,648	
Natick	125 (no change)	7,000	
Needham	74 (+1)	4,144	
Newton	44 (-213)	2,464	



<b>Church</b>	<b>2017 Membership</b>	<b>Total: 56.00</b>	<b>GA: 8.95; Synod: 4.00; Pres Proposed: 42.95</b>
Quincy: First	151 (-50)	8,456	
Young Sang	72 (no change)	4,032	
Somerville	36 (no change)	2,016	
Sudbury	155 (no change)	8,680	
Waltham	12 (+1)	672	
Whitinsville	92 (-19)	5,152	
Worcester	102 (-5)	5,712	
Taiwan	40 (-2)	2,240	
<b>Totals:</b>	<b>2,065 (-322)</b>		
<b>Total:</b>	<b>\$115,640 (-\$18,032)</b>		

*Membership losses include closure of Bethany and dismissal of Pilgrim*

Number of churches with no change: 8 (10)

Number of churches with gain: 6 (8)

Number of churches with loss: 8 (5)