

The Presbytery of Argyll

Stewardship & Finance Committee

The Bewildered Presbyterian's Plain Guide to Ministries and Mission Requirements

It has been obvious from recent discussions that there is a profound lack of comprehension on the subject of the Church's system of levying Ministries and Mission Requirements on congregations as a fundamental means of financing the operations of the Church. This lack of comprehension extends from individual members through church treasurers, Boards, Kirk Sessions, and Presbytery (including the Stewardship & Finance Committee!) Recent attempts to obtain a simple guide to the system from Stewardship & Finance at "121" have been less than totally successful, and suggestions that each congregation should receive a fully detailed statement showing the full computation of the Requirements reconciled back to their accounts have been described as administratively impossible. Presbytery Stewardship & Finance have therefore decided to produce an "idiot's guide" (although in deference to the dignity of Presbytery we have utilised a more sensitive title!)

The first thing to understand about the system is that it is intended to achieve the following:

To raise the amount budgeted and approved by the General Assembly to cover certain fundamental running costs of the Church nationally, principally the Parish Ministries Fund – 86% of contributions, but also the Mission and Renewal Fund – 14% of contributions. (As a general guide, therefore, congregations or charges having a full-time minister require to make a Ministries and Mission Contribution of approx. £53,000 purely to cover the total costs of employment of a minister at the top end of the scale.)

To provide ministry in every parish in Scotland, irrespective of the ability of the parish to fund the provision of such ministry. (Inevitably this means that congregations with significant income help to support provision of ministry in congregations with low income.)

To protect congregations from abrupt changes in contributions by computing the assessable income base for a given year based on the average annual income for the preceding three years for which accounts are available, and setting a percentage cap on the increase in contributions year on year.

To provide Presbyteries with a "funk fund" comprising 3% of the total Requirements for all of its congregations which can be used at the discretion of Presbytery *inter alia* to assist any congregation which finds itself in particular financial difficulty.

To exclude from assessment receipts of capital (e.g. legacies) which are by definition non-recurring.

The system is therefore designed to fund the Church's operations on a fair and equitable basis; whether it achieves this is a subjective issue, depending on the size and income of your congregation!

Some broad definitions:

Income base - income of the congregation in any one year from all normal sources, as shown in the audited accounts (but excluding letting income up to £20,000 and church organisations' income), plus congregational income received direct by "121" (e.g. Endowments, Glebe rents, and dividends and interest on funds held by The General Trustees.)

Average income base - the assessable income for any given year, calculated as the average of the income bases for the three preceding years for which accounts are available; e.g. the average income base for 2013 will be the average of the income bases for 2009, 2010 and 2011 (since the congregational accounts for 2012 will not be available until mid-2013).

Scale – a series of income bands and rates fixed each year, and designed to:

Raise the total amount set by the General Assembly as described earlier

Protect to a certain extent congregations with relatively low incomes

Require a progressively lower percentage of average income from those congregations with higher incomes which are deemed to have already "paid their fair contribution" to the central funds.

(The Scale for 2013 is attached as an appendix.)

Variation from Scale - For historical reasons some congregations pay less than the 'scale' Ministries and Mission Contribution figure they 'ought' to be paying. In order to have these congregations catch up to what they 'ought' to have been paying if they were on scale, their annual Ministries and Mission Contribution is increased more than the contribution of those congregations which are already "on scale"

Ministries and Mission Contribution – the result of applying the Scale to the Average Income Base.

The Cap on Increase – a limit on the increase year on year in Ministries and Mission Contribution for congregations which for various reasons have not reached their Scale Contribution; for 2013 this has been set at 12%.

Ministries and Mission Requirements— the Ministries and Mission Contribution (capped if appropriate) less Endowment income and Glebe rents already in the hands of “121”, and less any vacancy allowance. (Vacancy allowance is a reduction in the Ministries and Mission Contribution a vacant charge is required to pay). The Ministries and Mission Requirements are the net funds which the congregation is required to remit to “121”, normally by standing order.

No congregation is allowed to borrow funds whether from a bank or elsewhere without first obtaining the agreement of Presbytery.

Church Treasurers should be aware that they are entitled to receive from “121” Stewardship & Finance Department a copy of the relevant spreadsheets calculating their congregation’s Average Income Base (including those calculating the Income Base for each of the relevant years.) This information, taken together with the Scale statement which is made available to Presbytery each year(which will be copied to treasurers), and the Statement of Requirements issued by the Stewardship & Finance Department each year, should allow treasurers to understand the basis of computation of the sum required by the Church centrally, and explain it to their congregations.