

**DISTRICT
FINANCIAL
GUIDELINES**

2024

SOUTHERN FLORIDA DISTRICT
51st Annual Assembly
April 11-13, 2024

FINANCIAL GUIDELINES 2024

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1. The Stewardship of Christ-like Disciples

We, your District Advisory Board, believe stewardship is a vital ingredient of Christ-like discipleship. We further believe obedience is necessary to Christ’s command – to go, to be, and to do. This report reflects:

- Faith – in God and in the members of the Southern Florida District.
- Missional Planning – while some funds will go to maintenance ministries, the majority of our funding is designated for evangelism, discipleship and church planting efforts.
- Responsibility -- to God and to you who consistently support the local church.
- Fairness – budget apportionments are assigned in equitable fashion (equal sacrifice, not equal amounts).
- Appreciation – the record of faithful and generous giving by Southern Florida District Nazarenes is a cause for rejoicing.

We acknowledge that managing, disbursing, and accounting of funds given to the building of God’s kingdom is a matter deserving our most prayerful attention and planning. After careful consideration, we submit the following recommendations:

2. FUNDING THE MISSION *through the “Tithe and Offering” Concept*

Throughout the year, in response to the Great Commission and the Great Commandment, the local churches of the Southern Florida District contribute corporately to ministries and to the life of the church outside of the local context. Contributions are made to four separate funds with specific purposes reflected in the names of the funds:

- The World Evangelism Fund (WEF) – This fund helps make possible the global evangelistic work of the church in over 163 world areas, supporting missionaries, schools, hospitals, clinics, compassionate ministries, as well as regional and Global Ministry Center (GMC) operations.
- The Nazarene Benefits Fund (NBUSA)– This fund helps fulfill the promises made to retired ministers, evangelists, and other clergy, of a basic retirement benefit.
- The Educational Fund (EDU) – This fund provides scholarships for Nazarene students and operational funds for Trevecca Nazarene University.
- The District Evangelism Fund (DEF) – This fund, also known as the District Ministries Fund, helps make possible the evangelistic work of the church in 17 counties of southern Florida, supporting the planting of new congregations, ministerial training, missional partnerships with local churches, District NYI, SDMI and NMI ministries, District Ministry Resource Center operations and our district support personnel.

In addition, “Ten Percent Approved Missions Special” offerings are often taken for special purposes such as Missionary LINKS, Alabaster, Missionary Deputation/Tours, Jesus Film/Harvest Partners, Mission Teams, Nazarene Compassionate Ministries Offerings, Nazarene Child Sponsorships and more. Annual offerings are also received for the support of Nazarene Bible College (NBC) and Nazarene Theological Seminary (NTS). These are also Approved Ten Percent Missions Specials.

Contributions to WEF, NBUSA, DEF and EDU funds may be made online at www.FundingtheMission.org. This is the most efficient method and the recommended method of making such contributions. Alternatively, for those without the training or technological capability, monies for the DEF and Educational Funds may be sent by check to the District Bookkeeper. Monies sent for the WEF and NBUSA Fund may be sent to the District Bookkeeper or sent directly to the Global Treasurer’s Office.

Monies for NBC and NTS are sent directly to those institutions and are to be considered 10% mission specials in the Annual Pastors Report (as Point-to-Point giving).

In order for churches to equally share the responsibility for funding the mission of the church and for planning and communication purposes, the concept of “a tithe and offering” is used to determine the amount assigned to each church. Just as the member of the local church would give a tithe and offerings to his local church, the local church in turn gives a tithe and offering for the broader ministries of the church. Within this “tithe and offering” concept, the “tithe” provides funds for three of the four funds listed above (WEF, NBUSA and Educational). The “offering” provides funds for the District Evangelism Fund [Note that the designation “offering” does not imply “optional”, it simply differentiates this percentage from the “tithe”].

The “tithe” is further specifically allocated. At the 2009 meeting of the General Board, the global church adopted a uniform percentage for giving to the WEF by all local churches of the Nazarene – 5.5% of a church’s *Net Base Income*. (To estimate the *Net Base Income*, deduct from the *Total Gross Income* the amount you project the church will give to the WEF and Ten Percent Approved Missions Specials during the current year. This yields a *Net Base Income*.) In conjunction with that decision, the USA national board has adopted 2% for Pensions and Benefits and 2.5% for the Educational Fund, both of these also based on a church’s net base income. These three percentages total 10%, the commonly accepted standard percentage for the practice of tithing in the church.

Since every district is unique, with unique financial needs, the percentage to be given to the District Evangelism Fund is established by each individual district. This “offering” percentage on the district is to be reviewed and established annually by the District Superintendent and District Advisory Board. On the Southern Florida District, this percentage is hereby established at **5% for the 2024** fiscal year.

3. Estimating Apportionments -- The “Tithe and Offering” Concept

The “tithe and offering” is given on the basis of the local church’s income in the current month or week. Therefore, the actual dollar figure for allocations cannot be precisely established at the outset of the fiscal year. However, an estimate, producing a *Net Base Income* can be made in the following way:

Project the total *Gross Income* of your local church. *Income* is defined by the general church (for apportionments purposes, not as defined by the IRS) as **funds which are charitable contributions**, including designated giving to special projects. It does not include rental income (as from a church school), or pass-through monies (such as registration monies for summer camps). For other legal and tax purposes, see the IRS rules regarding Rental Income that is not a charitable contribution.

Deduct from the total income the amount you project the church will give to the WEF and Ten Percent Approved Missions Specials during the current year. This yields a “*Net Base*”. Then, multiply that Net Base by the percentages for each fund, indicated below. This will yield the annual amounts you may use as estimates:

- The World Evangelism Fund: Net Base x 5.5% = _____
- The Nazarene Benefits Fund: Net Base x 2% = _____
- The Educational Fund: Net Base x 2.5% = _____
- The District Evangelism Fund: Net Base x 5% = _____

Here is an example:

| | |
|--|-----------------|
| Church’s projected total <i>Gross Charitable Income</i> for the year | \$100,000 |
| Less the church’s projected total contribution to WEF..... | -\$5,200 |
| Less the church projected total contribution to other 10% offerings ... | -\$1,800 |
| Church’s projected <i>Net Base Income</i> | \$93,000 |
| World Evangelism Fund: 93,000 x .055 | \$5,112 |
| Nazarene Benefits Fund: 93,000 x .02 | \$1,859 |
| Educational (Trevecca) Fund: 93,000 x .025 | \$2,323 |
| District Evangelism Fund: 93,000 x .05 | \$4,650 |
| Total Assigned Apportionments | \$13,944 |

An online calculator is also available at www.fundingthemission.org to help you with your calculations. The same website also includes much more detail on the “tithe and offering” concept, other resources and Frequently Asked Questions. The district has also developed an online worksheet and instructions at www.sfnazarene.org to help calculate local apportionments.

It should be noted here, that new works that are not yet organized are expected to begin participating in *Funding the Mission*, by giving tithes and offerings based on their income monthly even as the work begins. District and other subsidy monies are not subject to the tithe.

4. Where and When to Send Monies

With the online Funding the Mission software (at www.FundingTheMission.org), local churches can make online payments to the four funds directly from their local bank account and report their Year-to-Date (YTD) income as often as they desire. We encourage our churches to implement this time-efficient system and to report their YTD at the beginning of each month, in order to assess their own progress toward the full payment of apportionments.

Monies for Nazarene Bible College are received in October and sent directly to Nazarene Bible College, 17001 Prairie Star Parkway, Suite 300, Lenexa, KS 66220.. These are 10% Mission Specials Funds and should be reported as such on the Annual Pastors’ Report, via Point-to-Point giving.

Monies for Nazarene Theological Seminary are received in January and sent directly to Nazarene Theological Seminary, 1700 East Meyer Boulevard, Kansas City, MO 64131. These are 10% Mission Specials Funds and should be reported as such on the Annual Pastors’ Report, via Point-to-Point giving.

Monies should be sent by the local church either weekly, bi-weekly or monthly. This helps fund the various ministries in a timely fashion and avoids putting the local church in a position where it finds it difficult to “catch up” later in the year.

IF CHECKS ARE MAILED:

Monies sent for the World Evangelism Fund and Pensions and Benefits Fund are sent directly to the General Treasurer, Attn: Donor Services, 17001 Prairie Star Pkwy, Lenexa, KS 66220 Use the General Treasurer remittance form provided in the Appendix. 10% Missions Specials are NOT to be sent to the District Office. Use the GTS Remittance Form (in Appendix E) to see what the 10% Missions Specials are, and to send those funds to the General Treasurer.

Monies for the District Evangelism Fund and the TNU Educational Fund are sent to the District Treasurer, attn. Junette Antoine, 6017 Pine Ridge Rd. #131, Naples FL. Use the remittance forms provided in the Appendix. TNU monies are then forwarded electronically to TNU.

Remittance Forms and other resources are available as an appendix to the report, and also on the global church website www.nazarene.org (access the Global Treasurer’s site) and on the district website www.sfnazarene.org.

The district office will provide regular giving reports to the pastors.

5. Financial and Operational Recommendations to the Local Church and District

5.1. Regarding the Global Church

- 5.1.1. That the World Evangelism Fund for our district be set at 5.5% of the “Net Base” of the local church.
- a. Because full payment of the World Evangelism Fund is the lifeline of our World Mission efforts, we urge each local church to give priority to the 100 percent payment of the World Evangelism Fund over other mission specials. A “World Evangelism Church” recognition will be made of local churches that give 5.5% of their income to WEF.
 - b. In support of the General NMI strategy to use overpayment of the WEF to enter new world areas, we encourage our local churches to overpay their WEF. All funds generated from overpayment of WEF by local churches will be directed to efforts at entering new world areas, whether the district reaches 100 percent payment or not. A “World Evangelism Church of Excellence” recognition will be made of local churches that pay 5.7% of their income for WEF, or who overpay their 5.5% WEF allocation by \$1,500, whichever amount is less.
 - c. That each church give at least 10 percent of its income to the World Evangelism Fund and Approved Mission Specials (including District-approved NewStart and Missional Projects). A “Mission 10 Church” recognition will be made of local churches that give 10 percent or more of local church income to WEF and Approved Mission Specials and that also reach giving goals for Pensions and Benefits, educational institutions, and district support.
 - d. That each local church consider implementing a Faith Promise program for missions. Details are available from the Global Ministry Center and the District NMI President.
- 5.1.2. That the Nazarene Benefits Fund be set at 2% of the Net Base of the local church.

5.2. Regarding our Educational Institutions

- 5.2.1. That our Trevecca Nazarene University Educational Fund be set at 2.5% percent of the “Net Base” of the local church.
- 5.2.2. That each local church participate in corporate matching fund programs and other development, scholarship and capital campaign programs for Trevecca Nazarene University.
- 5.2.3. That students from our local churches be made aware of the Church Matching Scholarship that will be credited to the school account of any student who receives a scholarship from the local church (Trevecca Region) of which the student is a member. Trevecca will match 2-to-1 any amount the local church sends in for their students up to \$500. A student may receive up to \$500 from the local church and TNU will add up to \$1,000 to make it up to a \$1,500 Church Match Scholarship. The student must be an undergraduate and enrolled at Trevecca full-time (minimum of 12 hours). The local church must have paid 100% of the assigned Education Fund for the assembly year closing the summer prior to enrollment. This scholarship is available up to four years through age 23. If a church has not paid 100% of its budget, Trevecca will match 1-to-1 any amount the local church sends in for their students up to \$500 (church sends in \$500 and TNU adds up to \$500 for a total Church Match Scholarship of up to \$1,000).
- 5.2.4. That each local church be made aware of additional scholarships available through Trevecca Nazarene University. In 2023, while local churches on the SE USA Field gave nearly \$2 million to Trevecca, Trevecca directly awarded almost \$6 million in scholarships to Nazarene students.
- 5.2.5. That each local church receive a special offering for Nazarene Bible College on “NBC Sunday” in October of each year and for Nazarene Theological Seminary on Seminary Sunday in January of each year. The district-recommended goal for each of these offerings is \$1 per member on the church membership list.

5.3. Regarding the Southern Florida District

- 5.3.1. That the District Evangelism Fund (the “Offering”) be set at **5%** of the Net Base of the local church and that the District Superintendent and District Advisory Board annually review this percentage used for funding the district mission.
- 5.3.2. That the District Advisory Board shall be responsible for reviewing, approving and monitoring all district operational budgets and investments and adjusting funds as necessary. This shall include budgets submitted by the NYI, NMI, and NDI presidents and the District Superintendent. Preliminary annual operating budgets submitted by the various ministries shall be approved by the DAB no later than 15 days before the beginning of the assembly year, and final approval of budgets will be given by the DAB

prior to District Assembly, when the DEF percentage is established.

5.3.3. That the Lake Placid Camp and Conference Center (LPC3) Board shall be responsible for reviewing, approving and monitoring the LPC3 operational budget and investments, and adjusting funds as necessary. The LPC3 budget shall be approved no later than 15 days before January 1, the beginning of the LPC3 fiscal year.

5.3.4. That church planting efforts continue in strategic growth areas of the district and that creative means be explored to develop new congregations.

5.3.4.1. That existing churches be encouraged to reproduce themselves, mothering and/or sponsoring new congregations, both within their facilities and beyond. A church that sponsors a new congregation will report the dollars spent for the new congregation as Point-to-Point Giving (to the NewStart District Fund) using www.FundingTheMission.com .

5.3.4.2. The Mark and Joy Donnelly Fund for Church Planting and Church Extension (formerly the Trust Fund) should continue to be developed as an additional source of revenue for church planting.

5.3.5. That additional endowment or quasi-endowment funds be established beyond the Donnelly Fund, and promoted annually by the district, with the idea that the principal (once the goal is reached) not be spent, but be invested so as to provide a revenue stream in perpetuity for district ministries. The interest earned (above the 5% annually which is to be reinvested into the Fund) will be available for use as approved by the DS and District Advisory Board. It would be appropriate to promote these funds regularly and to highlight one specifically each year for promotion and fundraising at District Assembly. The endowments, goals, and objectives for use are the following:

5.3.5.1.**District Foundation Fund.** Goal: At least \$4,000,000, to provide at least \$200,000 in annual revenue for district operations. This fund is under the supervision of the District Advisory Board. The revenue generated, beyond 5% annually, may be used for district operations, as matching funds in various fund-raising campaigns, and in other ways the DAB deems advisable and beneficial in fulfilling the mission of the district.

5.3.5.2.**James Spear “Good Shepherd” Fund.** Goal: \$250,000. To be used for pastoral care and training opportunities for the ministers of the Southern Florida District, especially with an emphasis on the shepherding role of the pastor.

5.3.5.3.**Children’s Camping Ministries Fund:** Goal: \$200,000 To be used for providing scholarships to campers for Children’s Summer Camp on the district.

5.3.5.4.**Youth Camping Ministries Fund:** Goal \$200,000. To be used for providing scholarships to campers for Youth Summer Camp on the district.

5.3.5.5.**Mission Teams Project Fund.** Goal \$200,000. To be used for providing funds for the purchase of materials for district Mission Teams projects, and for covering the travel cost of the District NMI Mission Teams coordinator and of the District NMI President, to travel and participate in the project if they so desire.

5.3.5.6.**District Disaster Relief Fund.** Goal \$1,000,000. To be used to supplement what a local church can do in the event of catastrophic damage due to a hurricane or other natural disaster. Up to 25% of the total cost of the repairs, up to a total of \$_____ (amount to be established by the DAB following assessment of a storm's damage), after insurance coverage, can be paid out of this fund, as long as the principal is not touched. All expenditures from the Fund require approval of the District Advisory Board.

5.3.5.7.**District NMI, NYI and NDI Operational Budget Fund.** Goal \$600,000. To be used to provide annual revenue for the operating budgets of the three district ministries of NMI, NYI and NDI. Release of funds requires approval by the District Advisory Board. The goal is to be able to provide up to \$10,000 annually for each ministry from this Fund. Each ministry is required to submit a proposed operating budget to the DAB in the month of November each year before funding is approved for the following fiscal year.

5.3.6. That any church receiving funds from the District Evangelism Fund and any church that did not pay apportionments in full the previous fiscal year shall submit a monthly financial report to the District Ministry Resource Center using the form provided by the district.

5.3.7. That district boards' travel reimbursement be 50% of the IRS established rate per mile, plus tolls paid, and that reimbursement for away-from-home meals and lodging be considered in advance of the anticipated event/meetings by the responsible council or board.

5.3.8. Regarding district employees:

5.3.8.1. That the Social Security tax for the full-time district ministerial employees be paid and/or reimbursed from their respective operational budgets.

5.3.8.2. That the district superintendent:

- i. Be granted vacation with pay in accordance with the vacation schedule for full-time ministers, which appears in Section 5.4.2.d.
- ii. Be reimbursed for expenses incurred in the fulfillment of his ministry responsibilities (i.e. superintendents' conferences, overnight lodging, meals away from home, entertainment of guests on behalf of the district, and occasions representing the district).
- iii. Be granted a sabbatical leave in, or after, each seventh consecutive year of service on the Southern Florida District, in harmony with 5.4.2.1. below, and as per Manual 225.11.

5.3.9. That annually, prior to the District Assembly, an independent public accountant conduct an audit of the books of all treasurers handling district funds.

COMPILATION, REVIEW OR AUDIT?

A Certified Public Accounting firm can perform three levels of service on the district's financial statements: compilation, review and audit. What is the difference between these three and why does the district choose to use a cycle of 3 years of Review and 1 of Audit?

A COMPILATION is simply when the CPA firm prepares the district's financial statements, using data provided by the district itself. This is the lowest cost option for the district, takes the least amount of time for the CPA firm to perform, but provides no assurance on the figures presented in the financial statements. There is no testing, inquiry or analysis of the figures. The firm simply puts the district's data in acceptable CPA format for reporting.

A REVIEW increases the cost to the district and the time required by the CPA firm to conduct its work. A Review costs less than an Audit. It provides limited assurance as to the figures and is narrower in scope than an audit. The CPA firm applies analysis, inquiries and other procedures only as it deems necessary based on its understanding of the district. There is no testing of accounting records and procedures.

An AUDIT provides the highest level of assurance that the financial statements are free from material misstatement. It is the most costly and time consuming of the three approaches. It requires an examination of internal controls and assesses the fraud risk. It includes careful examination of multiple sources. Audits are often done prior to selling of a company, to ensure that the buyer has full confidence that the financial statements are free from material misstatement.

SOURCE: Selected text adapted by Brian E. Wilson, from a January 21, 2014 online article by Frank Milone, published by Connecticut Innovations, and entitled "Audit vs. Review".

Seeing the value of a full Audit in establishing a high level of trust and confidence in the district's finances, the District Advisory Board recommends that a full Audit be done

every year. The first full SFD audit under this plan was conducted on the 2017-18 fiscal year financial records. In 2019 ECFA accreditation was granted. Our accreditation requires a full audit each year.

- 5.3.10. That the district be a member of ECFA (Evangelical Council for Financial Accountability) and seek ECFA accreditation annually, as a witness to the integrity of the district's handling of finances as a Nonprofit organization. A copy of *ECFA's Seven Standards for Responsible Stewardship* is attached to this document as Appendix D. Accreditation was gained in 2019 and has been renewed annually since then.
- 5.3.11. That a copy of this report be posted on the district website and e-mailed to all local church treasurers and to the senior pastor of the church. The report should be made available in the major languages used by the district's congregations.

5.4. Regarding the Local Church

5.4.1. Relative to accounting for funds:

- a. That each local church include in their income, tithes, offerings, and all other sources of income to the extent it pays local church expenses, including the payment of assigned apportionments and mission specials. For "Funding the Mission" allocation purposes, "income" is defined by the general church as funds which are **charitable** contributions.
- b. That all pastors be reminded of the *Manual* provisions (paragraphs 139.21 – 139.23; 146-146.6) for the counting and handling of money received and, where possible, use an independent public accountant for auditing financial reports. (See Appendix C for the text of these paragraphs)
- c. That each local church prepare an annual operating budget that includes planning for Funding the Mission (Manual 139.6) and send a copy of this budget to the district superintendent no later than March 1, of each year. We encourage churches to refer to the district-prepared sample budgets based on church income (see Appendix B and the district website).
- d. That all monies of the local church be kept in accordance with the Church of the Nazarene Manual paragraphs 139.20-139.23, 140. (See Appendix C for the text of these paragraphs)
- e. That all church records be open at all times to examination by the pastor.

5.4.2. Relative to the senior pastor:

- a. That the local church board give careful consideration to the pastor's financial needs and provide an annual compensation review, giving consideration both to cost of living increases and merit increases (Manual 139.8). The annual cost of living adjustment (COLA) established by the Social Security Administration in 2023, for use in 2024, was 3.2%. (As a matter of reference, for the previous eleven years the COLA was: 3.6% in 2011, 1.7% in 2012, 1.5% in 2013, 1.7% in 2014, 0.0% in 2015,

.3% in 2016, 2.0% in 2017, 2.8% in 2018, 1.6% in 2019, 1.3% in 2020, 5.9% in 2021, 8.7% in 2022 and 3.2% in 2023. Online references: <http://www.bls.gov/cpi/> and <http://www.socialsecurity.gov/OACT/COLA/colaseries.html>)

- b. As part of the compensation review, consideration should be given by the local church for the pastor's health insurance premiums, deductible, and coinsurance in compliance with the Patient Protection and Affordable Care Act (ACA). Following the annual pastoral compensation review, the church board secretary shall send a report of the board's decision to the district superintendent.
- c. As part of the annual review, and in accordance with Manual 139.8, the local church board should address the matter of the retirement benefits of the local pastor, through the national program established through the Office of Nazarene Benefits USA (www.pbusa.org) .

Every local church board should ensure that the proper documents have been submitted for their pastor to participate in the NBUSA retirement plan, if the pastor is eligible, and the local church should consider making regular contributions and matching contributions to the pastor's 403b account within the P&B USA plan (see links to the documents below).

A church may wish to consider additional ways of contributing to their pastors' retirement preparation, keeping in mind that the NBUSA provision is only one leg of a "three-legged stool", with the other two legs being Social Security benefits and personal savings and investments.

The link to the Employer Participation Form is:

http://pbusa.org/resources/forms/retirement/403b_employer_participation_agreement.pdf

The link to the Letter of Agreement Form is:

http://pbusa.org/resources/forms/retirement/403b_letter_of_agreement.pdf

- d. That each church provide disability insurance for their pastor through the general church. (Consult the Office of Nazarene Benefits at 1-913-577-0500, ext. 2670)
- e. That each church reimburse the pastor's quarterly social security tax, or an amount equal to the tax as the pastor may elect. Church boards should note that the pastor must pay social security taxes on housing allowance (or fair rental value of the parsonage) and reimbursement of social security taxes, as well as on salaries. Federal income tax is not applicable for reimbursement.
- f. That the following vacation time with full salary be granted for accumulative full-time ministry.

1 through 4 yearstwo weeks of vacation
5 through 10 years.....three weeks of vacation

11 through 19 years.....four weeks of vacation
20 years and overfive weeks of vacation

We encourage and expect all pastors to take an annual vacation, for purposes of renewal and recreation. Vacation time and compensation shall not accrue from year to year, except through prior, written arrangements made between the pastor and the local church board. The local church board is expected to make sure that their pastor takes his/her full vacation time each year. Church boards are encouraged to be creative, intentional and generous, and to take into consideration the particular circumstances of their pastor (e.g. co-vocational, etc.) and of their local church.

- g. That the churches participate in the Nazarene Retirement Program (tax-sheltered annuity) for ministers who earn their full livelihood from the ministry. For details write: Nazarene Benefits USA, Global Ministry Center, 17001 Prairie Star Parkway, Lenexa, KS 66220.
- h. That each local church pay their pastor's expenses to District Assembly and Conventions, preachers' meetings, district pastors' retreat, and General Assembly and Conventions.
- i. That each church encourage its pastor to pursue continuing education and provide allowance for the purchase of books, journals, professional materials, registration fees and other expenses related to continuing education as the church is able to fund.
- j. That each church periodically remember the parsonage family with gifts of love and appreciation. At Christmas time especially, each pastor should be remembered in a well-planned, generous and appropriate way. Suggestions are:
 - a. An amount equal to one week's salary and housing allowance from the treasury
 - b. A church-wide love offering
 - c. Gifts
- k. Additional benefits the church might want to explore for the pastor include:
 - a. Individual or Group term life and disability insurance
 - b. Non-reimbursed medical and dental expense
 - c. Book allowance
 - d. Old-fashioned grocery pounding
 - e. Financial assistance for continued education
- l. That, in accordance with *Manual* (2023) par. 139.10, the church board provide a sabbatical leave for the pastor during the fifth consecutive year of service in one congregation. See Appendix A for additional information.

5.4.3. Relative to the associate pastor:

- a. That each church provide an annual salary and benefits review (including retirement benefits), and appropriate paid vacation, for each associate minister and full-time staff member. Inasmuch as possible, the recommendations relative to the senior pastor

should be applied to associate staff as well.

- b. That pastors and church boards are reminded of *Manual* (2023) par. 169, where caution is requested so that the employment of the associate will not “tax the church’s financial resources including the payment of all financial apportionments.”
- c. That the church board provide a sabbatical leave for the associate pastor, in harmony with 5.4.2.k. above.

5.4.4. Relative to church tax exempt status and other legal responsibilities:

Each church is required by the US Department of Treasury, Internal Revenue Service, to obtain and maintain an annual verification of tax exempt status from the General Secretary of the Global Church of the Nazarene, 17001 Prairie Star Parkway, Lenexa, KS (E-Mail: gensec@nazarene.org)

To become more familiar with church tax laws. Reference www.churchlawandtax.com

All local churches should be incorporated in accordance with Manual provision (102) and must file a non-profit corporate annual report with the Florida Department of State, Division of Corporations at www.sunbiz.org by May 1 of each year.

Every local church and church-type mission should obtain and maintain liability insurance. A minimum of \$100,000 coverage is required. Rates are based on square footage of the facility in use. Proof of liability insurance needs to be filed with the district office annually.

5.4.5. Relative to planned and deferred giving:

We encourage every church to utilize the **Church of the Nazarene Foundation** to facilitate planned and deferred gifts from their members via donor advised funds, charitable gift annuities, charitable trusts and estate planning/bequests. Such gifts may be directed to any Nazarene ministry, including gifts to the local church and the district. The Church of the Nazarene Foundation can also assist with professional investment management of any reserve funds held by a local church. Visit www.NazareneFoundation.org or call 866-273-2549.

We also encourage every church to utilize the **Trevecca Nazarene University planned giving resources** to facilitate planned and deferred gifts for the ministry of Trevecca. Trevecca provides a full range of options including charitable gift annuities, charitable trusts, endowed scholarships and estate planning/bequests. Trevecca planned giving assistance is readily available by contacting the Office of University Engagement at 615-248-1355 or pcooning@trevecca.edu .

It might be beneficial for local churches to plan on promoting planned giving every 2-4 years to keep that opportunity before their people.

Respectfully Submitted

DENNIS MOORE – Secretary

BRIAN E. WILSON – Chairman

APPENDIX A

Pastoral Sabbaticals

Definition

Sabbatical is an extended period of time intentionally set aside by ministry personnel in pastoral relationships as an occasion for reflection, recreation, and revitalization, unencumbered by their usual and customary responsibilities, and yet still receiving their usual remuneration and benefits. Sabbatical finds expression in study, rest, spiritual retreat, and prayer. Sabbatical is not vacation time, not a sick leave, nor a “special studies” leave.

Motivational Bases for the Local Sabbatical Program

The Sabbatical program is motivated primarily by three factors;

1. We believe the Bible identifies a God-designed cycle of work and rest, as exemplified by the account of creation, the institution of the law of the Sabbath, and the accounts of the life of Christ, in which he took time to be alone and to be ministered to by God the Father.
2. Research and the reports of those participating in sabbatical programs give evidence to the multiple benefits of such a program to pastors, their families and their congregations.
3. The *Manual* (2023) of the Church of the Nazarene (paragraph 139.10) urges: “In order to encourage a healthy pastoral ministry and strong spiritual life of the pastor, the church board, in consultation with the district superintendent, should provide a sabbatical leave for the pastor during each fifth consecutive year of service in one congregation of the Church of the Nazarene.”

Implementation

1. All senior and associate pastors on the Southern Florida District, who have completed at least four consecutive years of ministry in their current church assignment, are eligible to participate in the Sabbatical program during their fifth year of ministry.
2. The length of time dedicated to sabbaticals, and their design and content, will vary with every church and pastor’s particular situation, and is to be coordinated with the district superintendent. Church boards are encouraged to be creative, intentional and generous, and to take into consideration the particular circumstances of their pastor (e.g. co-vocational, etc.) and of their local church.
3. Applications for sabbaticals should be submitted by the local pastor and church board, to the district superintendent, at least 6 months prior to the desired time of sabbatical. The district superintendent will consult with the District Advisory Board and provide an initial response within 4 weeks of the date of submission.

Guidelines and Ideas

The District Ministry Resource Center has reference material available for pastors and churches to use in designing appropriate sabbatical programs. Application forms, district guidelines and samples of sabbatical proposals will also be available online at the District website:

www.sfnazarene.org

References

- Bullock, A. Richard. 2000. Clergy Renewal: The Alban Guide to Sabbatical Planning. The Alban Institute.
- Dawn, Marve. 1999. Keeping the Sabbath Wholly. Eerdmans.
- Dickson, Charles. Nov/Dec. 1993. "Planning a Pastoral Sabbatical." The Clergy Journal. Logos Productions.
- Dietterich, Inagrace. 2001. The Practice of Sabbath Time. The Centre for Parish Development.
- Gabbard, Douglas. Jan/Feb. 2001. "Sabbath as Spiritual Discipline." Congregations. The Alban Institute.
- Helm, Norman G. Jan/Feb 1993. "The Parish and the Minister's Sabbatical." Congregations. The Alban Institute.
- Oswald, Roy M. 1991. Clergy Self-Care: Finding a Balance for Effective Ministry. The Alban Institute.
- Oswald, Roy M. 2001. Why You Should Give Your Pastor a Sabbatical. Video no. AL238. The Alban Institute. (Includes two 25-minutes segments with a leader's guide.)

APPENDIX B -- *Sample Budget*

The following sample budget depicts a local congregation that raises \$100,000 in tithes and offerings in 12 months, and which desires to be recognized as a **World Evangelism Church of Excellence**. It meets 100% of its goals for the four Assigned Apportionments, and gives generously to Missions Specials, and participates in missional partnerships, child and scholarship sponsorships, Jesus Film and Work and Witness. It most likely is a church with a worship attendance of around 90-100. Total giving for others is 16% of the total raised by the church in the year. The difference between a church with this level of income, that pays all its apportionments and a church that pays an additional .2% toward WEF is only \$150.00.

In the sample budget below, the pastor's compensation package represents about 28% of the total annual local church operating budget. As the church reduces its building indebtedness and capital expenditures (while still properly maintaining the church facilities), additional monies are freed up to enhance the pastor's compensation package and/or to begin adding some paid staff and/or additional local ministries.

The NET BASE is figured by taking the total raised for all purposes and subtracting what was given for World Evangelism Fund and for 10% Mission Specials. In this case, \$100,000 was raised. \$5,112 was given for World Evangelism Fund (5.5% of the NET BASE), and \$1,960 was given for 10% Mission Specials. **That brings the NET BASE in this example to \$92,928.** That figure is then used to calculate the DEF, EDU and P&B Funds.

| | <u>Monthly</u> | <u>Annual</u> | <u>Total</u> |
|---|-----------------|-------------------|---------------|
| For Others (15% or more) | | | 15,806 |
| World Evangelism Fund (5.5%) | 426.00 | 5,112.00 | |
| Pensions and Benefits Fund (2.%) | 154.88 | 1,859.00 | |
| Educational Fund (2.5%) | 193.60 | 2,323.00 | |
| District Evangelism Fund (5%) | 379.46 | 4,650.00 | |
| Ten Percent Missions Specials: | 163.33 | 1,960.00 | |
| Alabaster \$100 | | | |
| NBC \$100 | | | |
| NTS \$100 | | | |
| NCM Child Sponsorship \$360 | | | |
| NCM Disaster Relief \$100 | | | |
| Jesus Film \$100 | | | |
| Work and Witness materials \$1,000 | | | |
| Compassionate Ministry Ctr. \$100 | | | |
| Other Giving for Others | <u>0.00</u> | <u>0.00</u> | |
| TOTALS | 1,317.27 | 15,807.23 | |
| Buildings and Indebtedness (30% or less) | | | 29,000 |
| Buildings and Capital Expense | 1,208.33 | 14,500.00 | |
| Indebtedness (Mortgage) | <u>1,208.33</u> | <u>14,500.00</u> | |
| TOTALS | 2,416.67 | 29,000.00 | |
| Local Ministry (55% or more) | | | 54,194 |
| Pastor's Cash Salary | 1,041.67 | 12,500.00 | |
| Pastor's Cash Housing Allowance | 600.00 | 7,200.00 | |
| Pastor's Benefits | 733.33 | 8,800.00 | |
| Associate Salaries | 0.00 | 0.00 | |
| Associate Benefits | 0.00 | 0.00 | |
| Local Church Expenses (Maintenance, Utilities, etc.) | 1,833.33 | 22,000.00 | |
| Local Departmental Expenses | 250.00 | 3,000.00 | |
| Other Local Benevolences | <u>141.06</u> | <u>1,692.77</u> | |
| TOTALS | 4,599.40 | 54,192.77 | |
| GRAND TOTALS | 8,333.33 | 100,000.00 | |

Additional Sample Budgets are available on the District Website, www.sfnazarene.org in the Local Church Treasurer section.

APPENDIX C

Manual Paragraphs Referenced in the Finance Committee Report:

*On Budgeting, the Handling of Monies in the Local Church,
the Business of the Church Board
the Duties of the Local Church Treasurer,
and the Administrative Duties of a Local Church Pastor*

139. Business. The **business of the church board** shall be:

139.6. To provide for the development and adoption of an annual budget for the church, NMI, NYI, NDI, and childcare/schools (birth through secondary) projecting income and expenditures.

139.7. To assign a committee of the board, whose responsibilities include: (a) monitoring the church budget, (b) reporting to the board on the financial conditions and concerns of the church.

139.8. To determine the amount of remuneration and benefits, including retirement benefits, the pastor shall receive, and to review them at least once a year. (32.3, 117.4, 117.6, 133-133.7)

139.20. To elect a treasurer from among the church membership who meets the qualifications for church officers as specified in paragraph 34. Such election shall be held at the first meeting of the new board. The individual so elected shall serve until the close of the church year and until a successor has been elected and qualified and has voting privileges only if elected to the church board at a duly-called meeting of the members of the congregation. No member of the pastor's immediate family (spouse, children, siblings, partners) can serve as the local church treasurer without the approval of the district superintendent and the District Advisory Board. (34, 115.7-115.8, 115.11, 139, 139.1-139.6)

139.21. To cause careful accounting to be kept of all money received and disbursed by the church, including any childcare/schools (birth through secondary) and Nazarene Missions International (NMI), Nazarene Youth International (NYI), Nazarene Discipleship International (NDI), and make report of the same at its regular monthly meetings and to the annual meeting of the church. (146.3-146.5)

139.22. To provide a committee, no fewer than two members of which shall count and account for all money received by the church.

139.23. To appoint an auditing committee or a committee of independent examiners, or such other qualified persons, that shall audit or examine, to at least the minimum standard required by national or state law if applicable, or other recognized professional standard, at least annually, the financial records of the treasurer of the church, the Nazarene Youth International (NYI), the Sunday School and Discipleship Ministries International (SDMI) Board, Nazarene

childcare/schools (birth through secondary), and any other financial records of the church. The pastor shall have access to all records of the local church.

140. The church board, together with the pastor, shall follow plans adopted by the Board of General Superintendents and the General Board for raising the World Evangelism Fund and District Ministries Funds by the local church, and shall regularly remit these amounts to the general treasurer and district treasurer, respectively. (317.10, 335.7)

146. Church Treasurer. The duties of the treasurer of the church board are:

146.1. To receive all moneys not otherwise provided for, and disburse the same only on order of the church board. (139.21)

146.2. To make monthly remittances of all district funds to the district treasurer, and of all general funds to the general treasurer through the appropriate office, except as otherwise provided. (125.9)

146.3. To keep a correct book record of all funds received and disbursed. (139.21)

146.4. To present a detailed monthly financial report for distribution to the church board. (139.21)

146.5. To present an annual financial report to the annual church meeting. (115.9, 139.21)

146.6. To deliver to the church board the complete treasurer's records at such time as the treasurer shall cease to hold the office.

125. The **administrative duties** of a pastor are to:

125.9. See that all World Evangelism Fund monies raised through the local NMI are remitted promptly to the general treasurer; and that all monies for District Ministries Funds are remitted promptly to the district treasurer. (146.2)

125.13. Arrange and raise, together with the church board, funds for all denominational goals assigned to the local church, including the World Evangelism Fund, any applicable District Ministry Funds, and any funding goals established by regional or national boards. (32.2, 140, 163).

127. The pastor and members of his or her immediate family are prohibited from creating financial obligations, spending funds, counting moneys, or having unrestricted access to financial accounts of the church. The church board or church meeting may, by majority vote, request an

exception from the District Advisory Board and district superintendent. If the district superintendent and a majority of the District Advisory Board approve the exception, the district superintendent will provide written approval of the request to the church board secretary, who will record the action in the church records. Immediate family shall include spouse, children, siblings, or parents. (139.1, 139.21-139.22)

APPENDIX D



Enhancing Trust

ECFA's Seven Standards of Responsible Stewardship

Standard 1 –

Doctrinal Issues – Every organization shall subscribe to a written statement of faith clearly affirming a commitment to the evangelical Christian faith or shall otherwise demonstrate such commitment, and shall operate in accordance with biblical truths and practices.

Standard 2 –

Governance – Every organization shall be governed by a responsible board of not less than five individuals, a majority of whom shall be independent, who shall meet at least semiannually to establish policy and review its accomplishments.

Standard 3 –

Financial Oversight – Every organization shall prepare complete and accurate financial statements. The board or a committee consisting of a majority of independent members shall approve the engagement of an independent certified public accountant, review the annual financial statements, and maintain appropriate communication with the independent certified public accountant. The board shall be apprised of any material weaknesses in internal control or other significant risks.

Standard 4 –

Use of Resources and Compliance with Laws – Every organization shall exercise the appropriate management and controls necessary to provide reasonable assurance that all of the organization's operations are carried out and resources are used in a responsible manner and in conformity with applicable laws and regulations, such conformity taking into account biblical mandates.

Standard 5 –

Transparency – Every organization shall provide a copy of its current financial statements upon written request and shall provide other disclosures as the law may require. The financial statements required to comply with Standard 3 must be disclosed under this standard.

An organization must provide a report, upon written request, including financial information on any specific project for which it has sought or is seeking gifts.

Standard 6 –

Compensation-Setting and Related-Party Transactions – Every organization shall set compensation of its top leader and address related-party transactions in a manner that demonstrates integrity and propriety in conformity with ECFA's Policy for Excellence in Compensation-Setting and Related-Party Transactions.

**Standard 7 –
Stewardship of Charitable Gifts –**

7.1 Truthfulness in Communications. In securing charitable gifts, all representations of fact, descriptions of the financial condition of the organization, or narratives about events must be current, complete, and accurate. References to past activities or events must be appropriately dated. There must be no material omissions or exaggerations of fact, use of misleading photographs, or any other communication which would tend to create a false impression or misunderstanding.

7.2 Giver Expectations and Intent. Statements made about the use of gifts by an organization in its charitable gift appeals must be honored. A giver's intent relates both to what was communicated in the appeal and to any instructions accompanying the gift, if accepted by the organization. Appeals for charitable gifts must not create unrealistic expectations of what a gift will actually accomplish.

7.3 Charitable Gift Communication. Every organization shall provide givers appropriate and timely gift acknowledgments.

7.4 Acting in the Best Interest of Givers. When dealing with persons regarding commitments on major gifts, an organization's representatives must seek to guide and advise givers to adequately consider their broad interests.

An organization must make every effort to avoid knowingly accepting a gift from, or entering into a contract with, a giver that would place a hardship on the giver or place the giver's future well-being in jeopardy.

7.5 Percentage Compensation for Securing Charitable Gifts. An organization may not base compensation of outside stewardship resource consultants or its own staff directly or indirectly on a percentage of charitable contributions raised.

APPENDIX E

We encourage churches to make contributions online using www.fundingthemission.org. However, for those who need to send checks, please use one of the two remittance forms below, or both. The first is for use when sending checks to the District Office (for DEF and EDU apportionments). The second is for use when sending checks to the Office of the General Treasurer (for WEF, Nazarene Benefits USA and 10% Missions Specials).

SOUTHERN FLORIDA DISTRICT CHURCH OF THE NAZARENE

Funding the Mission Remittance Form (Updated 4-02-2024)

(For Use When Sending Funds to the District Office)

Local Church Name: _____

Pastor's Name, Email and Phone: _____

Treasurer's Name, Email and Phone: _____

Email receipt will be sent to the Email address indicated here: _____

Church/Fiscal Year to which Funds are to be credited (circle one): 2023 or 2024
(If no year is circled, the funds will be applied to the current fiscal year 2023)

TOTAL AMOUNT ENCLOSED: \$ _____

Please apply these funds as follows:

District Evangelism Fund: \$ _____ Education Fund: \$ _____

An Option to Consider: While we prefer that you send WEF and P&B Funds to the General Treasurer, by making contributions online via bank draft at www.fundingthemission.org or sending a check to the General Treasurer with a GTS Remittance Form (GTS = Global Treasury Services) found in the appendix to the Finance Committee Report, you could also just send one check for 15% of the NET BASE to the District Office each month, and ask the District to separate the funds and send them to the four destinations. (Note that 10% Missions Specials Offerings MUST be sent to the General Treasurer with the GTS Remittance Form, not to the District Office). If this is your desire, please check the line below.

_____ **YES, please do the calculations for me and distribute these funds to the four apportionment fund destinations.**

Please completely fill out the form each time with all information and send a check payable to Southern FL District at least monthly to:

**Southern FL District Office
 ATTN: Junette Antoine
 6017 Pine Ridge Rd #131, Naples, FL 34119**

Name, Email and Phone of person submitting this form (if not the treasurer listed above): _____

CALCULATING THE FOUR APPORTIONMENTS

| | | |
|---|------------------|----------|
| GROSS INCOME - <u>ALL</u> Charitable Income | \$ | _____ |
| Subtract WEF & 10% Specials | \$ | _____ |
| = NET BASE | \$ | _____ |
| A. WEF | 5.5% X Net Base | \$ _____ |
| B. P & B | 2.00% X Net Base | \$ _____ |
| C. Educational | 2.5% X Net Base | \$ _____ |
| D. District | 5% X Net Base | \$ _____ |
| = 15% Total | \$ | _____ |



Please return this form with your next gift

Assembly Year to be Credited: 2024-2025

| | | Office Use Only |
|--|----------|-----------------|
| World Evangelism | | |
| World Evangelism Fund | \$ _____ | 109 |
| from Faith Promise | \$ _____ | 113 |
| from Easter Offering | \$ _____ | 121 |
| from Thanksgiving Offering | \$ _____ | 132 |
| from NMI (Including Prayer & Fasting) | \$ _____ | 145 |
| Nazarene Benefits USA | | |
| NBUSA Fund | \$ _____ | 150 |
| Mission Projects | | |
| Alabaster | \$ _____ | 166 |
| World Mission Broadcast | \$ _____ | 178 |
| Vacation Bible School Offerings | \$ _____ | 184 |
| Memorial Roll | \$ _____ | 197 |
| Distinguished Service Award | \$ _____ | 204 |
| Missionary Health Care | \$ _____ | 215 |
| NCM Greatest Needs Fund | \$ _____ | 227 |
| Crisis Care Kits | \$ _____ | 140002 |
| Missionary Christmas Fund | \$ _____ | 236 |
| JESUS Film Harvest Partners | \$ _____ | 301 |
| Deputation | \$ _____ | |
| (Please provide Missionary Name) _____ | | |
| American Bible Society Offering | \$ _____ | 262 |
| _____ | \$ _____ | |
| Other: | | |
| _____ | \$ _____ | |
| _____ | \$ _____ | |

Make checks payable to General Treasurer and mail to:
 17001 Prairie Star Pkwy, Lenexa, KS 66220-7900. Attn: Donor Services
 or online at <https://www.fundingthemission.org>

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