

***Proposed Sustainable Funding Formula for
Present Reserves and Budget Funds targeted to
Church Planting Support & Leadership Training Support***
September 21, 2004

Background:

The Saskatchewan Mennonite Brethren Conference is committed to the spreading of the gospel through church planting and to the discernment and development of leadership within the member churches.

Church Planting and Leadership Development are best accomplished in partnership between the Conference and the local church.

The Sask. MB Conference needs to address the long term funding requirements of these initiatives and put in place a formula for supply of the conference share of required funds.

Financial support for the SK MB Conference is voluntary and over the past several years has averaged below the suggested per member norm, thereby causing the Conference to run at a small deficit. Lack of long range financial planning for church planting has also caused the provincial conference budget to fluctuate from year to year. These fluctuations make it difficult for member congregations to budget properly for conference support.

The Board of Management presently holds approximately \$156,000 in reserve funds. Some of these funds are the residue from previous MB churches which have ceased to function for various reasons and some of these funds are the result of budget surpluses in years past.

Proposed Action:

1. *Re-distribute the existing reserve fund monies into the following 4 key funds with the suggested balances in each fund:*
 - a. Emergency Reserve Fund \$16,000
 - b. Student Bursary Fund \$10,000
 - c. Leadership Development Support Fund \$50,000
 - d. Church Planting Support Fund \$80,000

2. *Distribution of Emergency Reserve Fund*
 - a. Designate the \$700 monthly payments from the sale of the Regal Heights MB Church building - Moose Jaw, into this fund. This represents a yearly increase in this fund of \$8,400.
 - b. The Emergency Reserve Fund shall be automatically capped when it reaches \$75,000. Sale revenues shall then be designated to other Conference funds as determined by the Board of Management.
 - c. The Board of Management shall review requests from local churches and disburse funds as required on an as needed basis.
 - d. The Board of Management shall review the fund status and recommend to the Conference in future years if budget funds need to be designated to the Emergency Reserve Fund due to special circumstances and needs within the Conference.

3. *Distribution of Student Bursary Fund*

- a. Designate \$1,000 per year from Budget to the Student Bursary Fund.
- b. Disburse up to a maximum of \$1,500 yearly to applicants attending secondary Christian Education (i.e. Bible College or Seminary).
- c. Based on start up amount of \$10,000, yearly budget input of \$1,000 and yearly disbursements of \$1,500, this fund has a life expectancy of 20 years.

4. *Distribution of Leadership Development Support Fund*

- a. Designate \$10,000 per year from Budget to the Leadership Development Support Fund.
- b. Disburse up to a maximum of \$15,000 from the Leadership Development Support Fund to partner with local churches via internships for emerging leaders.
- c. Local churches can apply to the MLDT for an internships subsidy of up to \$5,000 per year for a maximum of 2 years per church. The \$15,000 yearly allotment would therefore provide support to 3 churches per year.
- d. Unused funds on a year-to-year basis shall remain in the Leadership Development Support Fund for disbursement in future years.
- e. The MLDT and the Board of Management shall yearly review the funding level and adjust the budget contribution amount or subsidy amount or both as required.
- f. Based on start up amount of \$50,000, yearly input of \$10,000 and yearly disbursement of \$15,000, fund has a life expectancy of 10 years.

5. *Distribution of Church Planting Support Fund*

- a. Designate \$15,000 per year from Budget to the Church Planting Support Fund.
- b. Disburse up to \$25,000 per year from the Church Planting Support Fund to partner with local churches in church planting initiatives.
- c. A local church, or a group of churches in a rural setting, planning a church plant can apply to the Board of Church Extension for a subsidy of up to \$25,000 per year for a maximum of 2 years. The disbursement of the maximum subsidy of \$50,000 can be apportioned over the term of the subsidy to meet the needs of the particular church plant (i.e. 2/3 year 1, 1/3 year 2).
- d. Parent Church(es) shall provide a matching subsidy amount over the two years in support of their church plant.
- e. Unused funds on a year-to-year basis shall remain in the Church Plant Support Fund for disbursement in future years.
- f. The Board of Church Extension and Board of Management shall yearly review the funding level and adjust the budget contribution amount or subsidy amount or both as required.
- g. Should the Church Planting Support Fund grow to a total of \$100,000 due to a lack of church planting initiatives within Saskatchewan for a period of years, the Board of Management shall recommend to the Conference that the yearly Budget contributions be halted until church planting activities begin again.
- h. If church planting initiatives are continuous, the fund has a life expectancy of 8 years. Given the probability that there may not be continuous church planting, the fund may be self supporting to a life expectancy of 15 years or longer.