

PLANNING AND VISIONING GUIDELINES AND POLICIES

P&V-1 BUDGET

P&V 1.1 PROCEDURES FOR REQUESTING AND VALIDATING AN ECO

What is a ECO?

An Extra Commitment Opportunity (ECO) is a project that has been through the budgeting and/or validating process. It is considered an approved project of the Presbytery to be supported by special designated contribution from churches or individuals over and above the Presbytery Mission Budget.

How do ECOs originate?

The request for inclusion in the Presbytery budget as an ECO, or designation of a current project as a ECO, shall be made by Committees, Teams, or Coordinating Cabinet of the Presbytery to the Planning and Visioning Team. The request shall be submitted on a "Extra Commitment Opportunity (ECO) Request Form". (See attached sample.) All portions of the request form shall be completed for new candidates, and identified portions shall be completed for renewing candidates. ECO request forms for a budget year shall be completed and submitted no later than January 30 of the budget year specified.

How is ECO status determined?

Upon receipt of a completed "Extra Commitment Opportunity (ECO) Request Form", the Planning and Visioning Team shall review all pertinent data and shall make a validation recommendation to the Coordinating Cabinet. Upon Cabinet recommendation and motion, the Presbytery shall vote for approval or disapproval of ECO status for a project.

Procedure for Processing ECO

Latest Extra Commitment Opportunity (ECO) Request Form, along with a copy of this policy, will be distributed to all Presbytery Committees, Ministry Teams, and Coordinating Cabinet as part of the budget preparation package for the upcoming year. *It is the responsibility of the Committees, Ministry Teams, and Coordinating Cabinet to identify candidates for ECO and submit acceptable forms and documentation to Planning and Visioning within the required timeframe.*

Validation of a project for ECO status within the Presbytery of Detroit annual budget will be determined using the following criteria applied to the responses to the questions and data requests set forth in the "Extra Commitment Opportunity (ECO) Request Form" and to project informational and financial data submitted.

Purpose

1. The purpose of the project shall be stated clearly.
2. The stated purpose of the project shall be consistent with the Mission Directions and Goals of the Presbytery of Detroit.
3. Normally, the projects should not compete for funds with a mission program of our denomination.
4. The activities of the project should be consistent with its statement of purpose.
5. Priority will be given to projects sponsored by Presbyterian agencies.

Funding/Financial

1. Promotion, fund raising and public information undertaken by the project must accurately identify the purpose, program and financial needs of the project.
2. At least 60% of annual expenses should support project program.
3. Annual fund raising expenses should not exceed 25% of income.
4. Normally, the project's reserve fund should not exceed two (2) times its

- annual expenditures.
5. An annual report, or equivalent package of documents, should be provided and include:
 - a. Explicit narrative description of project's major activities
 - b. Current audited financial statements
 - c. Current annual budget
 - d. List of project board members
 6. Means of assessing success potential of project shall be stated.
 7. Project should have success potential of Excellent or Good.

P&V-1.2 PER CAPITA APPORTIONMENT

Per Capita Defined

The per capita apportionment of the Presbytery is for ecclesiastical expenses as defined by the Book of Order and administrative expenses as decided by Presbytery.

A. General Assembly Definition

Definition: The Per Capita Apportionment is a means of providing for all members to share in the costs involved to conduct and administer the ecclesiastical, judicial, and legislative functions of the Presbyterian Church (U.S.A.).

B. Presbytery of Detroit Definition

The Per Capita Apportionment covers the administrative expenses of the following functions of the Presbytery:

1. Legislative functions, which include the work done by the Presbytery when it meets as a governing body, and the work done by its Administrative Commissions;
2. Judicial functions, which include that of the Permanent Judicial Commission, and Investigating Committees.
3. Ecclesiastical functions, which include the work done by the Committees on Ministry, Candidates, Nominations, Representation, the review of session records, Planning and Visioning Team, and Presbytery Operations Ministry Team.
4. Managerial functions, which include the work done by the Coordinating Cabinet, the Planning and Visioning Team, and the Presbytery Operations Team, to plan, oversee, and evaluate the Presbytery's program and mission.

Administrative expenses include the following:

1. Meeting expenses of units, which carry out the functions, listed above.
2. Operating expenses of units needed to carry out the functions listed above.
3. Salaries and expenses of staff members who help the units carry out the functions listed above.
4. Office expenses related to carrying out the functions listed above.

The Per Capita Apportionment is used for planning, overseeing, and evaluating the Presbytery's program and mission, but it is not used for the direct costs of the Presbytery's program and mission.

C. location Of Line Items

In order to arrive at a recommendation of the amount of Per Capita Apportionment each year the Planning and Visioning Team shall identify which lines in the budget are to be covered by the Apportionment. If a line item is used primarily for the functions and expenses listed in the definition, the entire line item should generally be included. If only a small amount of it is used for such functions, generally none of it will be included.

In the case of staff salaries and expenses, those staff members whose position

descriptions relate primarily to the functions listed in the definition should have their salaries and expenses included in full. Those whose position descriptions relate primarily to carrying out the Presbytery's program and mission should not be included at all. Using this guideline, the amounts for the Presbyter, Financial Administrator, Treasurer, and Stated Clerk are included, while those for Associate Executives are not.

The percentage of the office operations costs allocated to the Per Capita Apportionment also shall be determined by the proportion of staff that are paid from Per Capita Apportionment.

P&V-1.3 CHANGES TO ADOPTED BUDGET

1. All budget changes must be reported to the Planning and Visioning Team.
2. Budget changes within a committee responsible and not across category lines may be approved by the committee.
3. Budget changes affecting more than one department or division must be recommended to the Planning and Visioning Team.
4. Budget changes across category lines must be recommended to Planning and Visioning Team.

P&V 1.4 BUDGET DEFICITS & SURPLUSES

1. Deficits shall be handled in the same manner as surpluses; that is, they shall be carried in cash flow as a reduction in equity for one year, and in the second year shall be entered on the income projection, reducing the projected income for that year
2. Year-End Deficits
Year-end deficits are considered a reduction in equity for one year. In the next year, they are considered negative income."

P&V-1.5 BUDGET CONTROL

1. Expenditure control of the Program Budget is lodged in the Planning and Visioning Team. All requests for adjustments in Program Budget allocations must have approval of the Planning and Visioning Team, which shall recommend any proposed amendments to the Coordinating Cabinet.
2. Standing Committee Financial Procedures
 - a) Teams, Cabinets, and Required Committees of the Presbytery are responsible directly to the Presbytery.
 - b) Annual budget requests are submitted to the Planning and Visioning Team and by it to the Coordinating Cabinet, that presents an annual Operating Budget for approval by the Presbytery.
 - c) Responsibility for approved budget management for their work rests with each Team, Cabinet, or Committee.
 - d) Requested expenditures will be within the Committee, Team, or Cabinet budget.
 - e) Required Committees may make necessary shifts within their budgets, but any significant variance in projected expenditures shall be reported by them to the Planning and Visioning Team.
3. NCD Financial Procedures
 - a) Where an administrative commission (G-9.0503) is elected by the presbytery and is given the powers of a session for each NCD, the following apply:
 - b) Any NCD Administrative Commission shall report directly to the Presbytery at least each quarter. Responsibility for approved budget management rests with each NCD

- Administrative Commission. NCDs receive shared funding from Synod of the Covenant, GA and the Presbytery; their budgets must be approved annually by the Presbytery.
- c) Annual budgets shall be presented by each NCD Administrative Commission to the Planning and Visioning Team, before the end of the third quarter, for approval by the Presbytery. The budget presented by an NCD Administrative Commission must be consistent with the financial plan approved by Presbytery, Synod and GA in their original request for funding.
 - d) If variation from the original financial plan should be necessary, such changes will be presented for approval by the participating governing bodies.
 - e) Requests for any disbursement of funds by Presbytery financial officers will be consistent with the administrative commission and Planning and Visioning Team approved budget.
 - f) NCD Administrative Commissions may make necessary shifts within line items of their budgets. Should budgeted receipts fall more than ten percent below approved budget projections, further expenditures will require specific prior approval by the particular NCD Administrative Commission and be reported by them to the Planning and Visioning Team.
4. Funds from the sale of capital assets shall ordinarily be regarded as continuing capital assets.
 5. The books of presbytery are closed for income and disbursements for the preceding year, on January 31.

P&V-1.6 NON-BUDGETED FUNDS IN RESERVE ACCOUNTS

Only non-budgeted funds in established reserve accounts may be continued from year to year.