

1 **2024 Florida District Finance Committee Report**

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3 Your District Advisory Council and the District Ethnic Coordinators, serving as the District Finance
4 Committee met March 2, 2024 in Winter Garden, Florida, the following members being present: Dale
5 Schaeffer, chairman; Seth Lenderman, District NYI President; Pam Tooley, District NMI President;
6 Lamar Courtney, District NDI President; Edgar Diaz, District Hispanic Ministries Director; Gilbert Dertes,
7 District Haitian Ministries Director; Flavio Barbosa, District Portuguese Ministries Director: Don Myers;
8 Bill Pursell; Don Boyle; Dan Campbell; Terry Gusler; Nancy Cortes; Brad Fink; Dennis Jones; Steve
9 Walker; Jen Showalter; Monica Freeland; Cassandra Trotman; Mary Egidio, District Secretary; Mindy
10 Rickey, District Treasurer (virtually).

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12 The committee makes the following recommendations:

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14 *A. Local Church*

15 1. That each church board, in the care of its pastor and ministerial associates, implement the following:

16 A. Reimburse the pastor and full-time district-licensed ministerial associates an amount equal to
17 their self-employment taxes. This amount must be added to the income reported in their IRS
18 form W-2 at the end of each year.

19
20 B. Provide for the health insurance premium each month for their pastor(s) and his or her
21 dependents. Church Boards should be aware of current IRS rules about the taxability of health
22 care benefits.

23
24 C. Give prayerful, attentive consideration to the annual review of, and adjustment to, the
25 pastor(s)' and staff salary, cash benefits, and accountable professional expense reimbursement.
26 Nazarene Benefits USA offers this Compensation Calculator: <https://nbusa.org/pbusacalculator>.
27 See www.nbusa.org for more information.

28
29 D. Give a bonus of at least one week's salary to the pastor(s) at Christmas.

30
31 E. That each church adequately compensates supply pastors for their service. Minimum
32 compensation for pulpit supply would include travel and meals plus honoraria according to
33 the following scale:

- 34 ○ For churches raising less than \$50,000 per year: \$100 per service
 - 35 ○ For churches raising \$50,000 - \$100,000 per year: \$150 per service
 - 36 ○ For churches raising \$100,000 - \$250,000 per year: \$250 per service
 - 37 ○ For churches raising more than \$250,000 per year: \$300 per service
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40 F. That local church boards establish the following vacation program for our pastors and full-time
41 ministerial associates with the accumulative years in service to the denomination as follows:

42

<i>Years of Service</i>	<i>Number of Weeks of Vacation</i>
43 1 - 4	2
44 5 – 10	3
45 11 – 19	4
46 20 – or more	5

47

48 Vacation time does not accumulate from year to year. The year of service will be prorated for the

49 first year, then change to the calendar year.

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51 G. That female clergy receive a minimum of 8 weeks of maternity/adoption leave with no
52 reduction to compensation or benefits. This time is to be granted in addition to vacation, personal
53 days, and sick time, all of which may be used at the discretion of the pastor to extend this period
54 beyond 8 weeks. Guidance for this provision is available from the District Resource Center. Male
55 clergy members receive 4 weeks of maternity/adoption leave with the same stipulation.

56 H. Participate in the Nazarene 403 (b) Retirement Plan (tax sheltered annuity) for ministers who
57 earn their full livelihood from the ministry. For details, visit www.nbusa.org We encourage our
58 churches to work with their ministers to take full advantage of the matching 403 (b) funds that are
59 available through Nazarene Benefits.

60

61 I. Support their pastors in building home equity when residing in church-owned parsonages.
62 This can be achieved through budgeting for equity payments, creative housing solutions, and
63 early financial planning, fostering a more secure retirement for dedicated pastoral leaders. A
64 memo of guidance can be found on the district website under the resources tab.

65

66 J. Provide the expenses of the pastor and spouse and associates to the District *Advance*,
67 conventions, and retreats. Also, where possible, each church should set aside a fund to
68 assist the pastor and family to attend the General Assembly and Conventions.

69

70 K. Send its pastor to learning seminars for continuing education credit and/or specialized
71 assignments up to two Sundays during the year and to provide an amount to fund this
72 continuing education and books.

73

74 L. Adopt a sabbatical leave policy considering the guidelines found in Manual, paragraph
75 139.10. Sample policies are available at the Global Clergy Development website:
76 <https://www.usacanadaregion.org/clergy-development/sabbaticals>.

77

78 2. That each church provides for expenses of its delegates to the District *Advance* and Conventions.

79

80 3. That the local church boards follow all Manual procedures for financial accounting and hiring. (See
81 *Manual*, paragraphs 139.6, 139.20, 139.21, 139.22, 139.23, 139.28, 165-166, 169 – 169.8.

82

83 4. That each local church board appoint a committee to perform an annual financial review of the
84 financial records of the church to comply with Manual provisions (139.23).

85

86 5. That each church establish a Designated Gift policy. See sample on the district website under
87 <https://www.floridanaz.com/governance-and-policies>

88

89 6. That the local churches pay all denominational apportionments according to the following:

90 A. The 8% Fair Share Plan will be a unified amount which will include the payment of the
91 following categories: Nazarene Benefits Fund, Educational Fund, District, District NDI, District
92 NYI and District NMI. The 8% Fair Share Plan shall be calculated according to the following
93 formula:

94 i) The local church shall send 8% of the weekly church income to the District Resource
95 Center (via check or electronically) no less than monthly. The district treasurer will
96 divide each local Fair Share payment by a formula of percentages and forward the

97 appropriate amount to the respective recipients. Refer to
98 <https://floridanaz.com/governance-and-policies> for income definitions and details.

- 99 ii) Each local church that makes their 8% Fair Share contribution as described in this
100 paragraph will be considered to have met their 8% Fair Share in full.
- 101 iii) That new churches be expected to begin fully participating in Fair Share and World
102 Evangelism Fund giving once they begin to meet regularly for worship.
- 103 iv) That the general, regional and district obligations be paid from the Fair Share income,
104 to be distributed based on the following percentages:
- 105 a. Trevecca: 2.5%
 - 106 b. Nazarene Benefits: 2.00%
 - 107 c. District: 3.5% From which district money would be distributed between District
108 Operations and district auxiliaries, by the following percentage:
109 District operations: 83.5%
110 NDII: 5.5%
111 NMI: 5.5%
112 NYI: 5.5%
- 113 v) District auxiliaries may carry over a reserve to the next budget year in an amount equal
114 to the prior year apportionment transfers. Any additional amounts held in reserve must
115 be approved by the District Budget Review Committee at their annual budget meeting.
116 Excess amounts must be returned to the District Treasurer no later than the District
117 *Advance* following that meeting.

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119 B. Each local church shall pay 5.5% of its church income for World Evangelism Fund. Checks
120 should be sent to Church of the Nazarene Global Ministry Center, Attn: Donor Services, 17001
121 Prairie Star Parkway, Lenexa, KS 66220. Payments may also be made at
122 <https://ftm.nazarene.org> (authorization required).
123

124 7. That the criteria for the organization of a local church be that the church is self-supporting, self-
125 propagating, and self-governing.

- 126 A. Self-supporting: Able to fund the ministries of the church while fully participating in Fair
127 Share and World Evangelism Fund giving.
- 128 B. Self-propagating: Leading people to faith in Christ each year, baptizing and discipling
129 them as new believers and members.
- 130 C. Self-governing: Governed by a church board that meets the requirements of the Manual
131 for a fully organized church.
132

133 8. That all local churches and district leaders encourage the use of the gifts and annuities programs to
134 benefit the general church, district church, local churches and our educational institutions, by the use of
135 wills and charitable remainder trusts, and the Nazarene Foundation. The Nazarene Foundation can assist
136 churches – visit www.nazarenefoundation.org
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138 9. That local churches continue special offerings for the Nazarene Bible College, Nazarene Theological
139 Seminary, and Nazarene Missions International Mission Projects annually, or on the dates specified by
140 these groups.
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142 10. That the district journal be distributed to the local churches in an electronic (pdf) format. Each church
143 will receive a PDF copy of the journal. The District Resource Center will provide bound, printed journals
144 at a cost of \$15 each, which includes postage.
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146 11. That all local churches be incorporated in accordance with *Manual* provisions, and that their
147 Annual Business Report be filed with the Florida Secretary of State in Tallahassee by May 1 of each
148 year via www.sunbiz.org (See *Manual*, paragraph 102.) Contact the District Resource Center for
149 assistance if needed.

150
151 12. That each local church annually review its insurance coverages to make sure that its building(s) and
152 contents are adequately insured, and appropriate liability insurance is in place. All churches should
153 provide an ACCORD evidence of property insurance and proof of liability insurance to the Florida District
154 annually. FURTHER, THE FLORIDA DISTRICT CHURCH OF THE NAZARENE SHOULD BE
155 DESIGNATED AS "CERTIFICATE HOLDER" ON THE PROPERTY INSURANCE. Local churches whose
156 property is owned by the Florida District will be responsible to reimburse the district for insurance on the
157 property. The tenant church will be responsible to obtain adequate insurance for liability and personal
158 contents. The Florida District Church of the Nazarene should be listed as "additional insured" on the
159 liability coverage and proof of insurance provided to the district office annually.

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161 13. That each local church holding title to Florida real estate make certain that the appropriate property
162 tax exemptions have been filed with the county tax assessor. New filings or corrections must be made
163 before March 1 of each year to avoid payment of property taxes.

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165 14. That in order to protect our most precious asset, our children, the district encourages each church to
166 adopt and enforce a written policy and procedures to minimize the risk of sexual misconduct on the part
167 of either paid or volunteer staff. This would include, but would not be limited to, background checks.
168 (Manual 139.30) A sample of such procedures is available at the District Resource Center and the district
169 website.

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171 15. That each local church is advised of the denominational program, NazareneSafe™, which provides
172 resources for developing appropriate guidelines and procedures for protecting minors and preventing
173 sexual misconduct in the church. Visit NazareneSafe.org for details.

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175 16. That each local church register any locally-licensed ministers with the USA/Canada Regional office
176 at the Global Ministry Center, in cooperation with the NazareneSafe™ program. Contact the District
177 Resource Center for forms/[links](#).

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179 17. That each local church develop and adopt security procedures, including emergency and disaster
180 plans. See the district website, <https://www.floridanaz.com/sample-policies-emergency-security>

181 18. That the first eighteen paragraphs of this report be provided to each local church board secretary and
182 treasurer for dissemination to and reading by their church board in the first quarter of each church year.

183
184 *B. District*

185 1. That the members of the various District boards and committees be reimbursed for their travel at the
186 mileage rate set at 80% of the current amount allowed by the Internal Revenue Service, rounded to the
187 nearest whole cent, regardless of the method of transportation the individual may use; when overnight
188 travel on the District is required. Special consideration will be given as needed. No other incidental
189 charges, including telephone, are considered District expense.

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191 2. That the district treasurer be authorized to pay an amount equal to the federal self-employment tax for
192 the district superintendent. This is to be paid directly to the district superintendent, who must make
193 remittance to the IRS.

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3. That the district superintendent be granted five weeks of vacation with pay and given a gift equivalent to one week's salary, housing, and related SECA tax reimbursement at Christmas.

4. That the district superintendent's expenses to all district, regional, and denominational conferences be paid by the district.

5. That the District Advisory Board engage a CPA for an attest engagement of the district financial records, as supervised by the standing audit committee.

In keeping this recommendation and Manual 205.25, the District Advisory Board employed Felicity Hendrix (Hendrix and Rambali) to conduct an audit of the District's Financials for FYE February 2024. The audit was completed on April 1, 2024, with a full report being sent to the District Advisory Board. The following was reported by the independent auditor:

I have audited the accompanying financial statements of Florida District Church of the Nazarene, Inc. (a nonprofit organization), which comprise the statements of financial position as of February 29, 2024, and February 28, 2023, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida District Church of the Nazarene, Inc. as of February 29, 2024, and February 28, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

6. That the district superintendent, in consultation with the District Advisory Board, shall establish an appropriate plan for the underwriting of expenses of delegates to the General Assembly. Each auxiliary shall likewise make appropriate plans for delegates to their respective general conventions.

7. That this statistical/fiscal year consist of 12 months (March 1, 2024 through February 28, 2025); and that the district send quarterly statements to the pastors and local church treasurers.

8. That the District Advisory Board shall review the 8% Fair Share Giving Plan and suggest modifications as appropriate.

9. District Advisory Board shall empower the Budget Review Committee to perform a mid-year review of the actual income receipts and the budget for the current financial year, for the purpose of modifying the budget as needed to reflect actual receipts year to date. This committee shall report its findings to the District Advisory Board. The District Advisory Board should then determine what actions should be taken, if any, to adjust expenditures or budgets accordingly.

NOTE: All Manual references are from the *2023 Manual of the Church of the Nazarene*.

Respectfully Submitted,

REV. DALE W. SCHAEFFER, Chairman

MARY E. EGIDIO, Secretary

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Addendum A - 2024-25 District Budget

	<u>District Operating</u>	<u>District Missions</u>
District Income:		
Fair Share:		
Current Year	1,171,000	
Prior Year	<u>97,000</u>	
Total Fair Share	1,268,000	
net - Fair Share Ministry Transfers:		
P & B 28.13%/25.00%	(320,031)	
TNU 28.13%/31.25%	(393,219)	
NDI 2.4001%	(30,434)	
NMI 2.4001%	(30,434)	
NYI 2.4001%	<u>(30,434)</u>	
Total Fair Share Ministry Transfers	(804,552)	
District Fair Share (net)	463,448	
Investment Income:		
Bank & Nazarene Foundation	213,039	
Notes Receivable	<u>2,734</u>	
Total Investment Income	<u>215,773</u>	
Total District Income	679,221	
District Expenses:		
District Administration (Less Sal Alloc) note (1)	(497,144)	
District Operations	(186,520)	
District Office & Depre Exp	<u>(52,255)</u>	
Total District Expenses	(735,919)	
District Net - Sal Alloc is Included	(56,698)	
District Mission Income:		
Grant - GCF		100,000
Board Designated Revenue	<u>56,698</u>	<u>774,162</u>
Total District Mission Income	56,698	874,162
District Mission Expense:		
Mission Leadership (w/ Sal Alloc)		(402,912)
Mission Support (Projects & Expenses)		<u>(471,250)</u>
Total District Mission Expense		(874,162)
Net - After Board Designated Release	<u>0</u>	<u>0</u>

Note: (1) Includes One Time \$9K exp to move Assist to DS