

# BIBLICAL *giving*

Your 2017 guide to the benevolences of  
the Arkansas Conference

## Completing the transition to the Arkansas Tithe Initiative

A process designed to more closely align our churches' connectional giving to the biblical model of a tithe—10 percent—is nearly complete.

The Arkansas Tithe Initiative, approved by the 2015 Annual Conference, preserves 90 percent of local church offerings for use within the congregation's mission field.

Beginning in January, every church will use the same calculation to determine connectional giving, doing away with the previous apportionment formula. Now, our shared ministries will be funded by an equal proportion of giving from each congregation.

Last fall, churches began reporting monthly income as a way to prepare for the transition to tithe-based connectional giving. This summer, the members of the Annual Conference finalized the rules for reporting local church income and exclusions, and set the budget for 2017 based on the data gathered from the income reporting.

The transition to the Arkansas Tithe Initiative will be complete in January 2017, when local churches will report their income in preparation for their first monthly tithe, which is due Feb. 10, 2017. Tithes will be due by the 10th day of each month thereafter. Every tithe payment will be based on a local church's income during the previous month.

This biblically-based formula ties the conference budget directly to the financial health of local churches, enhancing sustainability. By basing connectional giving on the total revenue available to a congregation, this new system avoids penalizing congregations for decisions on how they will carry out ministry in their unique ministry context, giving them more flexibility to follow Jesus' call to make disciples, and creating more opportunities to transform lives, communities and the world.

**The Arkansas Tithe Initiative**  
A New Way to Share Ministry



# Tithe Initiative connects us in the Spirit

BY BRUCE BENNETT  
Special Contributor

*“At that time prophets came down from Jerusalem to Antioch. One of them named Agabus stood up and predicted by the Spirit that there would be a severe famine over all the world; and this took place during the reign of Claudius. The disciples determined that according to their ability, each would send relief to the believers living in Judea; this they did, sending it to the elders by Barnabas and Saul.” (Acts 11:27-30, NRSV)*

Since the earliest days of the Church, Christians have organized in ways that demonstrated their “connection” in the Spirit. The Church, united and working together, has always pursued the work of transforming lives by combining resources and efforts. For more than a hundred years, the apportionment system has been the United Methodist way of organizing “to make disciples of Jesus Christ,

who make disciples equipped to transform lives, communities and the world.”

The Arkansas Conference will soon complete its transition to a new way of connecting and uniting in the Spirit. In a bold and exciting move, the Conference has adopted a biblical model that is easy to understand and fair to all: the Arkansas Tithe Initiative.

In 2017, the churches of the Arkansas Conference will contribute a tithe of each month’s adjusted revenue to the ministry we share through the Conference and the General Church. The tithe (10 percent) is the basic standard of giving in the United Methodist Church (see *The Book of Discipline*, Paragraph 630.5.e). So, while we



**Bruce Bennett**

extend the ministry of the local church and unite with others in Conference, Jurisdictional and General Church ministries through the Arkansas Tithe Initiative, we will also be reminded of our personal commitments to give generously to God by beginning with a tithe.

We are excited in this benevolence guide to show you the ministries that the Arkansas Tithe Initiative will support. But more than that, the Arkansas Tithe Initiative empowers the local church to model and teach every disciple this basic stewardship model. Start using the Tithe Initiative to begin a discussion in your church about tithing, and watch for upcoming Conference resources to assist your church in making true disciples of Jesus Christ.

*The Rev. Bennett, senior pastor of First UMC Texarkana, serves as chair of the Conference Stewardship Committee.*

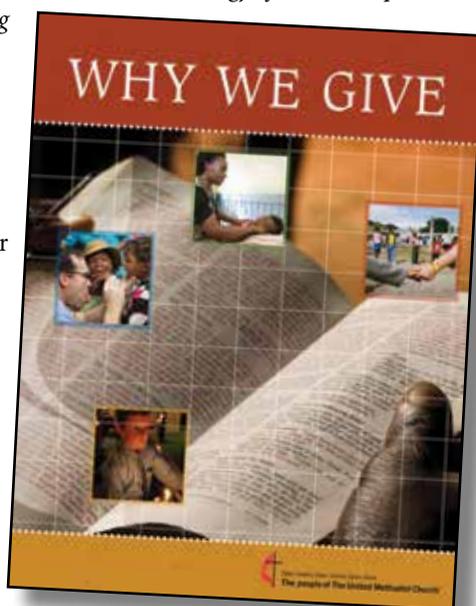
## Tools available for growing generous disciples

Growing as a disciple of Jesus Christ includes developing a greater hunger to give back to God. Among the many stewardship, generosity and giving resources available for local church finance leaders and pastors, the selection below features some of the top United Methodist-related materials.

- **Discipleship Ministries, [www.umcdiscipleship.org/stewardship](http://www.umcdiscipleship.org/stewardship)** – includes downloads, self- and leader-guided online webinars, DVDs and videos, guides for budget building, capital campaigns and planned giving.
- **UMC Giving, [www.umciving.org](http://www.umciving.org)** – includes many free resources related to connectional giving, such as The Advance and Special Sundays. Downloads, DVDs, booklets (like the one pictured) and bulletin inserts are available.
- **National Association of United Methodist Foundations, [www.naumf.org](http://www.naumf.org)** – includes links to training, publishers and professional organizations.
- **General Council on Finance and Administration, [www.gcfa.org](http://www.gcfa.org)** – local church resources including information on audits, real property matters and legal services.
- **Vital Congregations, [www.umvitalcongregations.org](http://www.umvitalcongregations.org)**.
- **Lewis Leadership Center, [www.churchleadership.com](http://www.churchleadership.com)** – resources such as the *Theology of Stewardship and Biblical Generosity*, *Fostering a Culture of Generosity* and *Funding Ministry in Changing Times*.
- **United Methodist Church of the Resurrection stewardship resource page, [www.cor.org/stewardship](http://www.cor.org/stewardship)**.

Numerous books and studies related to the spiritual practice of giving are available through Cokesbury, the retail division of the United Methodist Publishing House. Contact Arkansas’ Cokesbury Community Resource Consultant, Rachel Nicklas, at 501-553-8614 or [rnicklas@cokebury.com](mailto:rnicklas@cokebury.com); or purchase resources online at [www.cokesbury.com](http://www.cokesbury.com). This listing includes church-wide stewardship programs as well as individual studies and books.

- *The Paradox of Generosity: Giving We Receive, Grasping We Lose* by Christian Smith & Hilary Davidson
- *Committed to Christ: Six Steps to a Generous Life* by Bob Crossman
- *Propel: Good Stewardship, Greater Generosity* by Clayton L. Smith
- *The Church Money Manual* by J. Clif Christopher
- *Treasure* by Jacob Armstrong
- *Practicing Extravagant Generosity* by Robert Schnase
- *Earn. Save. Give.: Wesley’s Simple Rules for Money* by James A. Harnish



## Where does our giving go? *A narrative budget for 2017*

As a church that works through a connectional system to accomplish more together for Jesus Christ than individual congregations could do on their own, the United Methodists of Arkansas contribute to a number of budgeted funds. Please use the following descriptions of those ministry areas as a resource for your church’s finance committee, church council or other leadership teams, as well as for anyone who wants to know more about how we structure our ministry together.

The **Clergy and Retiree Benefits Fund** provides health care stipends for retirees and their spouses, as well as for ministers on disability leave. This fund also covers the pension benefit for district superintendents and other clergy serving on the Conference staff.

The **General Apportionments Fund** is our share of the denomination’s connectional funds as set by General Conference. The seven general funds are: The **World Service Fund** is the financial lifeline of our shared ministry throughout the world. The **Ministerial Education Fund** educates men and women to serve our Church. The **Black College Fund** supports United Methodism’s historically Black colleges and universities that create vibrant spiritual environments that encourage pride and self-esteem. The **Africa University Fund** is transforming Africa by educating and empowering students from across the African continent. The **Episcopal Fund** pays bishops’ salaries, covers their office and travel expenses and provides their pension and health-benefit coverage. The **General Administration Fund** implements trustworthy administrative oversight, supports the legislative processes of the church and curates the United Methodist Church’s rich history. The **Interdenominational Cooperation Fund** works in partnership with ecumenical organizations to bear witness to a common Christian faith. (Information from [www.umciving.org/how-we-give#umc](http://www.umciving.org/how-we-give#umc))

The **Jurisdictional Apportionment Fund** has been reduced to only two funds. The Jurisdictional Administration fund covers the annual cost of the jurisdictional office and the quadrennial meeting to elect bishops. The remaining fund benefits Lydia Patterson Institute ([www.lydiapattersoninstitute.org](http://www.lydiapattersoninstitute.org)), the only United Methodist institution on the Texas/Mexico border. The school strives to form bilingual and bicultural leaders for the church and society.

The **Conference Administration Fund** covers the costs associated with district superintendents, the Board of Ordained Ministry, pastors’ moving expenses, the Center for Administrative Services, and other administrative boards. It also provides supplemental support for the Episcopal Office.

The **Resourcing Local Congregations Fund** provides funding for the mission and ministries of the Arkansas Conference. This includes funding for the Center for Mission and Ministry, the Center for Technology and the Center for Vitality. Also, New Church Starts, Equitable Compensation, Mission Local Church support and Wesley Foundations are just a few of the ministries supported by this fund.

The **Institutional Ministries Fund** provides funding for three United Methodist-related institutions: Hendrix College ([hendrix.edu](http://hendrix.edu)), Philander Smith College ([philander.edu](http://philander.edu)) and Camp Aldersgate ([campaldersgate.net](http://campaldersgate.net)). These self-governed institutions have historical ties to United Methodism in Arkansas. These funds help support our mission through their work with youth and young adults.

## Proportions of giving to budgeted funds

Clergy and Retiree Benefits (\$1,255,000.00):	12.38%
General Apportionments (\$2,636,467.00):	26.02%
Jurisdictional Apportionments (\$81,807.00):	0.81%
Conference Administration (\$1,940,152.00):	19.14%
Resourcing Local Congregations (\$3,673,837.00):	36.25%
Institutional Ministries (\$547,000.00):	5.40%
<b>Total (\$10,134,263.00):</b>	<b>100.00%</b>

# Caring for our clergy

## A summary of pension benefits and how local churches contribute

Clergy pension benefits include three components: the Clergy Retirement Security Program (CRSP), the Comprehensive Protection Plan (CPP) and the United Methodist Personal Investment Plan (UMPIP). Clergy appointed full-time participate in CRSP and CPP. All clergy (as well as laity employed by the church) are eligible and encouraged to participate in UMPIP.

The Clergy Retirement Security Program (CRSP) offers full-time clergy security through a defined benefit component that provides a lifetime retirement income, and flexibility through a defined contribution component that provides you with an account balance you can access as your retirement needs require. Participants must contribute a minimum of 1% of eligible compensation to their UMPIP to receive the full employer CRSP-DC contribution. Churches are billed for this amount by the Conference Office of Administrative Services on a quarterly basis.

The retirement formula for 2017 is:

- The monthly CRSP- defined benefit is 8% of eligible "Plan" compensation.
- The CRSP defined contribution benefit is 2% non-matching contribution and 1% matching of eligible "Plan" compensation.

"Plan" compensation includes the actual housing allowance or parsonage equivalent (25% of Plan compensation).

CPP death benefits are payable upon the death of an active or retired participant, his or her spouse or surviving spouse, and his or her children under age 19. Benefits also may be payable

for a child over age 19 if the child was disabled before age 19, or if the child was receiving a surviving child educational benefit.

CPP also provides:

- Supplemental benefits for surviving spouses (may be available upon the death of an active participant).
- Educational benefits for surviving children (may be available upon the death of an active or retired participant).
- Comprehensive disability benefits (including monthly benefit payments, annual increases, continued retirement contributions, enhanced return to work program, and assistance with application for Social Security disability benefits).

Church contributions for the death and disability plan (CPP) premiums for eligible full-time appointed clergy will be 3% of eligible plan compensation, up to 200% of the denomination average compensation, referred to as the DAC.

The UMPIP retirement plan is billed and administered by Wespath Benefits and Investments—the largest denominational pension fund in the world. UMPIP is designed to provide one piece of an overall retirement portfolio. Its features include:

- Convenient before-tax, Roth and/or after-tax contributions in a flat dollar amount or percentage of eligible compensation, up to Internal Revenue Code limits
- Plan sponsor may elect to contribute matching contributions or a percentage of eligible compensation
- Taxes are deferred on before-tax contributions and investment earnings until distribution
- Roth contributions are made after taxes are withheld, but

Roth contributions and earnings are not taxable at distribution if qualified

- After-tax contributions are made after taxes are withheld, but earnings on after-tax contributions are taxable at distribution
- Accepts eligible rollovers from most retirement plans (including Roth accounts) and traditional IRAs
- Variety of investment fund options
- LifeStage Investment Management and LifeStage Retirement Income account management suite
- Hardship loans and withdrawals
- Age 59 ½ and rollover account withdrawals
- Distributions available upon termination of employment, retirement, disability or death
- Lump sum, partial lump sum or cash installment distribution options
- On-demand and quarterly account statements
- Access account information 24/7 through Benefits Access ([www.benefitsaccess.org](http://www.benefitsaccess.org)) and through Wespath's automated phone system
- Participant forms and other information available at [www.wespath.org](http://www.wespath.org)

—information from Wespath Benefits and Investments (formerly the General Board of Pension and Health Benefits); [www.wespath.org](http://www.wespath.org).

## How to reach the Arkansas Conference Center for Administrative Services

The staff of the Arkansas Conference Center for Administrative Services is available to answer your questions about the Tithe Initiative, health care coverage choices, clergy pensions and more. Their offices are on the second floor of the Kendall Center at Philander Smith College.

Mailing address for correspondence:

P.O. Box 3611, Little Rock, AR 72203

Address for tithe and apportionment payments and giving to other designated funds:

P.O. Box 55588, Little Rock, AR 72215

Address for pension payments:

P.O. Box 55971, Little Rock, AR 72215

Physical address:

800 Daisy Bates Drive, Little Rock, AR 72202



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# Calculating local church apportionments for 2017 under the Tithe Initiative system

Information for this worksheet should be gathered from Table II of the local church's Statistical Report for the Calendar Year 2015, to which the line numbers refer. If you do not have this report, you can obtain a copy from your church office, or from the Conference Center for Administrative Services (see contact information on the previous page).

## Calculate the Tithe

A. Total Gross Income for previous month, including designated giving and other funds	_____
Less the following Approved Church Exclusions:	
B. - Income for capital campaigns (not including LOC/mortgage payments)	- _____
C. - Income for memorials and endowments	- _____
D. - Income from the sale of church-owned real estate (not used for operational expenses)	- _____
E. - Income from tuition-based services (preschool, daycare, etc.)	- _____
F. - Direct costs of fundraising (this does not include the income raised)	- _____
G. - Income from pass-through/outreach ministries	- _____
Church Total Income (Line A minus Lines B, C, D, E, F, G)	= _____
Tithe percentage	x 0.10
<b>TOTAL Tithe to remit to Conference for previous month</b>	= _____

## Calculate the District Apportionment

Health insurance paid to Conference (Line 47)	_____
Pastor's salary (Line 48)	+ _____
Associates' salaries (Line 49)	+ _____
Utilities and allowances (Line 50)	+ _____
Accountable reimbursements paid to pastors (Line 51)	+ _____
Other cash allowances (Line 52)	+ _____
Deacon ministry compensation (Line 53)	+ _____
Diaconal ministry compensation (Line 54)	+ _____
Other staff compensation (Line 55)	+ _____
Current program expenses (Line 56)	+ _____
Current operating expenses (Line 57)	+ _____
<b>Church Total Expense Consideration</b>	= _____
<b>District Expense Financial Consideration</b> (your district will provide this number)	÷ _____
<b>Church Expense Decimal</b> (0.00000000: use the first 8 places to the right of decimal)	= _____
<b>2016 District Budget</b> (your district will provide this number)	x _____
<b>TOTAL District Apportionment</b> (District Budget x Church Expense Decimal)	= _____

## Determine the Total 2017 Apportionment

District Apportionment amount	_____
Projected Tithe amount	+ _____
<b>TOTAL 2017 apportionment</b>	= _____

## Example: Charles Wesley UMC, Yourtown, Ark.

### Calculate the Tithe

A. Total Gross Income for previous month, including designated giving and other funds	_____	22,916
Less the following Approved Church Exclusions:		
B. - Income for capital campaigns (not including LOC/mortgage payments)	- _____	1,500
C. - Income for memorials and endowments	- _____	125
D. - Income from the sale of church-owned real estate (not used for operational expenses)	- _____	208
E. - Income from tuition-based services (preschool, daycare, etc.)	- _____	1,000
F. - Direct costs of fundraising (this does not include the income raised)	- _____	60
G. - Income from pass-through/outreach ministries	- _____	1,000
Church Total Income (Line A minus Lines B, C, D, E, F, G)	= _____	19,023
Tithe percentage	x 0.10	
<b>TOTAL Tithe to remit to Conference for previous month</b>	= _____	1,902.30

### Calculate the District Apportionment

Health insurance paid to Conference (Line 47)	_____	10,440
Pastor's salary (Line 48)	+ _____	30,600
Associates' salaries (Line 49)	+ _____	15,000
Utilities and allowances (Line 50)	+ _____	8,900
Accountable reimbursements paid to pastors (Line 51)	+ _____	2,500
Other cash allowances (Line 52)	+ _____	2,400
Deacon ministry compensation (Line 53)	+ _____	6,000
Diaconal ministry compensation (Line 54)	+ _____	0
Other staff compensation (Line 55)	+ _____	21,400
Current program expenses (Line 56)	+ _____	2,100
Current operating expenses (Line 57)	+ _____	30,000
<b>Church Total Expense Consideration</b>	= _____	129,340
<b>District Expense Financial Consideration</b> (Northwest District, in this example) ÷ 21,398,838		
<b>Church Expense Decimal</b> (0.00000000: use the first 8 places to the right of decimal)	= _____	0.00604425
<b>2016 District Budget</b> (Northwest District, in this example) x 237,000	x _____	
<b>TOTAL District Apportionment for 2017</b> (District Budget x Church Expense Decimal)	= _____	1,433
<b>Divide by 12 to calculate monthly District Apportionment:</b>		119.42

### Determine the Total Monthly Tithe and Apportionment

Monthly District Apportionment amount	_____	119.42
Projected monthly Tithe amount	+ _____	1,902.30
<b>TOTAL monthly Tithe and District Apportionment</b>	= _____	2,021.72

Your church has received an estimate of what your 2015 tithe would have been if the Tithe Initiative had been fully implemented during that year. Please use that number for budgeting purposes only. Your actual tithe will be calculated using the form above.

# District apportionments and the ongoing work of CFA

In adopting the Tithe Initiative, the Arkansas Conference strived to create a balanced approach to funding ministry beyond the local church while keeping the vast majority of funding at the local church level. Many local churches were spending 15 to 20 percent of their income to pay their annual apportionments, while others were paying significantly less. Clearly, a tithing system was the most logical way to solve this disparity.

Council on Finance and

Administration (CFA) members had many discussions with other conferences that had adopted some form of a tithe system. Through these discussions, two points became obvious: One, make the change because it is a terrific way to



fund shared ministry, and Two, don't set a tithe at a figure other than 10 percent (which is the proportion usually implied by the word "tithe" in the Bible and elsewhere). CFA worked hard to make the change as soon as possible,

identifying targeted reductions in order to live within the expected tithe.

While this change was a perfect fit for the Conference budget, it was not for District budgets. Currently, District administrative budgets total nearly \$1,000,000 and are established by the five District Conferences.

CFA discussed these amounts, and it ultimately decided not to include them in the tithe calculation at this time. To do so now would

mean sudden and significant reductions to both District and Conference budgets, significantly unbalancing the current funding scale.

Over the next quadrennium, CFA will determine a way to include District, Conference, Jurisdictional and General church shared ministries in the 10 percent tithe. As we work toward this promise, we will explore options to help avoid significant cuts to ministry funding.