

General Council on Finance and Administration
The United Methodist Church

Why Statistical Table III?

During the September meeting of GCFA's Official Forms and Records Committee, the Statistical Table III reporting form was adopted as a mandatory reporting form for the local churches throughout the jurisdictional conferences during 2005-2008 quadrennium. The full GCFA approved this action in November 2004. This reporting form was distributed as a voluntary reporting form during 2001-2004 quadrennium although several annual conferences adopted the form as mandatory within their own annual conferences. This brief report has been prepared as background to the Statistical Table III. Hopefully, annual conferences and local churches will not only understand the rationale for Statistical Table III but will find that it brings to all church leaders one of the most important sets of local church data available.

To understand the rationale behind this new mandatory reporting form, it is useful to first review the contents of Statistical Table III.

Contents of Statistical Table III

Statistical Table III is composed of three sections. Section I is designed to address the income sources used to support the local church's operating budget. The contents of Section I are as follows:

1. Annual Operating and Benevolence Budget Funding Sources (the funding for Lines 38-74, Table II expenditures)

These funds are used exclusively in support of the annual operating and benevolence giving funds and do not include funds used for capital improvements or acquisitions (reported under Section 2 below) unless they are provided for within the operating budget of the local church. Please do not include funds received from connectional sources (reported under Section 3 below).

***Number of Pledges and Identified Givers**

Giving Units

The number of giving units, including pledges and identified givers, providing the funds recorded in 1. a. and 1. b. below (for example, the number of families and individuals recorded by name as contributors for the year in support of the operating budget and benevolence giving for Lines 38-74).

a. Amount Received Through Pledges

This year's receipts of funds received toward the payment of pledges, estimates of giving, or other commitments establishing a level of giving toward annual operating and benevolence budgets of the

church (for example, a member's payments toward an annual pledge).

b. Amount Received from Non-pledging, yet Identified Giver _____

This year's receipts from identifiable individuals who have not pledged or provided an estimate of giving in support of the annual operating and benevolence budget (for example, personal check from a member who did not submit a pledge card in response to the church's stewardship campaign).

c. Amount Received from Unidentified Givers _____

This year's receipts from unidentifiable individuals used in support of the annual operating and benevolence budgets (for example, loose currency or coins placed in the Sunday morning offering plate).

d. Amount Received from Interest and Dividends _____

Funds allocated toward the operating and benevolence budgets earned through interest on deposits or dividends from stocks (for example, interest on reserve funds invested in money market accounts used to support the annual church budget).

e. Amount received from Sale of Church Assets _____

Funds allocated toward the operating and benevolence budgets from the sale of church-owned assets (for example, the sale of discarded church furniture).

f. Amount Received through Building Use Fees, Contributions, and Rentals _____

Funds allocated toward the operating and benevolence budgets from building use fees and related contributions and rentals (for example, fees collected from weddings for building use).

g. Amount Received through Fundraisers and Other Sources _____

Funds received in support of the operating and benevolence budgets from special fundraisers and any other sources (for example, net receipts from a pancake breakfast used to support the annual budget).

1. TOTAL

For most churches, items a, b, and c will represent most, if not all, funds received in support of the local church operating budget. However, there are many churches that receive funds from the use of buildings and facilities (e.g., weddings) and choose to dedicate these funds to the operating budget.

Section 2 is designed to capture other large gifts received by the church--often gifts that are intermittent and not commonly used to support the annual operating budget.

2. Funding Sources for Capital and Other Special Projects

a. Capital Campaigns

This year's receipts from capital campaigns and this year's interest from previous campaign balances (for example, receipts from a building renovation capital campaign).

b. Memorial/Endowment/Bequests

This year's receipts from memorials, endowments, and bequests. Include this year's interest or dividends from investments or deposits. Include rents received from physical properties. Include funds from liquidation of assets, but do not include values of donated stocks or physical property (for example, interest from endowment funds retained in endowment accounts).

c. Other Sources and Projects

This year's receipts from other sources in support of capital campaigns and special projects (for example, sale of church-owned land held as deposits for future use).

2. TOTAL

Many churches will have no funds received during a typical year from these sources.

For those that do have such funds, an historical record of these funds can be important information to future local church planning committees. For those that have never collected such funds but are planning programs to collect such funds, collective records of other churches receiving funds can be a critical planning resource.

Section 3 is designed to collect information about other sources of revenues received from districts, annual conferences, and other granting institutions.

3. Funding Sources from District(s), Annual Conference(s), Jurisdictional Conference(s), General Church and/or other institutional sources outside the local church.

These funds could be used in support of the annual operating and benevolence budgets not listed in section 1.

a. Equitable Compensation Funds received by Church or Pastor _____

This year's equitable compensation funds received by church or pastor.

b. Advance Special or Apportioned Funds received by Church _____

Advance special funds or apportioned funds received by church (for example, pastor salary support from annual conference funds beyond equitable compensation funds).

c. Other _____

Funds received from other sources (for example, grants received from a foundation in support of the church food bank).

3. TOTAL _____

Most churches do not receive funds, such as equitable compensation support or grants from the annual conference.

Statistical Table III is not new. Several annual conferences have been using their own versions of Statistical Table III for many years. What is new is the adoption of Statistical Table III by GCFA's Official Forms and Records Committee as a mandatory reporting form. In many cases, the information required to complete the form is provided in the annual report of the church's treasurer.

Recall that Statistical Table II focuses upon local church expenditures rather local church receipts. Local church expenditures (Statistical Table II) have been used for almost 100 years in the determination of the size of annual conference budgets, the assignment of apportionments, the evaluation of specific funding efforts, comparisons of levels of clergy compensation, and background facts used in the clergy appointment process, among others. In the design and implementation of Statistical Table III, there has been no consideration of its use in the assignment of apportionments. Instead, Statistical Table III data is intended for a very different use.

What makes Statistical Table III useful and to whom is it useful? These were the driving questions considered by the Official Forms and Records Committee, and the answers to these questions led the committee to unanimously adopt it as a mandatory reporting form. The following are facts taken from the form and used by an annual conference that adopted the form as mandatory several years ago.[1]

For the annual conference:

- Between 2001 and 2002, local church expenditures increased by 2.78% yet receipts in support of local church operating budgets increased by only 0.76%. The CF&A recommended a budget cap to the annual conference based upon these facts.
- In 2003, 24.6% of the local churches were engaged in capital campaigns. This represented an increase from 2002. This information was used as background in approving or rejecting beyond-the-budget fundraising requests across the annual conference.
- Between 2000 and 2003 eleven new churches were established, and sources of funding for each were examined to assist in refining annual conference funding recommendations for new church starts.

- The annual conference established a training event to assist local churches in their establishment of endowment programs. Churches that did not report receipts in this category received special invitations to attend the event.
The annual conference commission on equitable compensation reviewed the income source data as part of its own internal review, comparing those receiving equitable compensation and similar sized congregations that did not.

For the local church:

- A local church has scheduled a capital campaign for next year and is in the process of preparing next year's operating budget for its church council's consideration. What amount given to the operating budget should the church expect, given that there will also be a push to respond to the capital campaign? Two years of Statistical Table III data illustrates that there were a number of churches that did not have a capital campaign in the first year of the available data but did have a capital campaign in the second year of the data. Among those churches of a similar size, giving to the operating budget decreased by 2.7% while giving to the operating budget among those churches of a similar size that did not have a capital campaign in either year increased by 6.8%. This information was used by the local church finance committee in perfecting its budget recommendation.
- A local congregation was considering a building project coupled with a capital campaign and debt. In planning the size of the project, the building committee asked the CF&A for information regarding the expected success of a capital campaign and the size of debt that a church should accept. Historical records from Statistical Table III were used to illustrate the experience of other churches of similar size.
- A local church sought information concerning the number of pledging units and total amount pledged of similar sized churches in establishing goals for its upcoming stewardship program.
- A new pastor of a local church sought to begin the church's first pledge campaign. The finance committee asked about the prevalence of pledges as a source of local church receipts. Table III data illustrated that about half the local churches receive funds through pledges to the operating budget, and among those that do, 74.3% of the total operating budget receipts come from pledges.

- A local church was considering starting its own endowment committee and sought information from CF&A regarding the percent of local churches receiving funds from memorials, endowments, and bequests. In that annual conference, 74.5% of the churches reported receiving funds from these sources.

Future Value of Statistical Table III

With time, the information collected through Table III will become more and more valuable. Only with time, does one obtain a tracking of local church receipts that defines either growth or decline. Only with time, does one obtain a possible link between local church receipts and external indicators, such as economic growth, unemployment, and inflation. These longer time series data are invaluable when projecting the future and examining phenomenon over longer periods of time. For example, capital campaigns commonly take three to four years to completion. At least four years of data are necessary to observe a full capital campaign cycle.

As with any addition to required annual statistical reports, Table III will require time and energy. However, the important information that is collected, and analysis that is then possible, makes this new form a powerful tool for planning ministry in the local church.

[1] Some of the following are true facts and others are presented for illustrative purposes.