

FINANCIAL MATTERS

Chair: Scott Vander Ploeg
Reporter: John R. Lee

I. Council of Delegates

A. Materials

1. Council of Delegates Report (section II, C, including Appendix H), pp. 50, 115-46
2. Council of Delegates Supplement (section II, C, including Appendix F)

B. Privilege of the Floor. Andy de Ruyter, chair of the Council of Delegates; Michael L. Ten Haken, vice chair of the Council of Delegates; Colin P. Watson, Sr., executive director; and members of the executive staff as needed

C. Recommendations

1. That synod receive as information the condensed financial statements of the agencies and educational institutions (Appendix H).
2. That synod take note of the work of the COD in taking note of the agencies and institutional unified budget for 2023 and the COD approval of ministry-share allocations, based on ministry-share pledges reported by the churches and classes (COD Supplement sections II, C, 1-2).
3. That synod adopt the use of a consent agenda in future synods.

Grounds:

- a. Synod 2022 used a consent agenda to great effect.
 - b. The COD, the interim committee of synod, has already effectively implemented a consent agenda in its work.
 - c. This will enable synod to focus its limited time on matters that deserve greater attention.
4. That synod, upon adoption of recommendation 3 above, instruct the Program Committee of synod to designate appropriate matters such as receiving as information the condensed financial statements, taking note of the unified budget approval, and housing allowance designation be moved to the consent agenda of synod in future years.

Grounds:

- a. Much of the material on financial matters more appropriately belongs under a consent agenda. For example, the budgeting process is no longer approved at synod but rather occurs at the COD level.
- b. Without independent review of the unified budget, the exercise of synod taking note of such a budget lacks integrity.
- c. Other items are placeholders for annual accountability and transparency but not for active synod discernment.

5. That synod adopt the 2022-2023 denominational salary grid for staff positions as proposed, noting that the current pay ranges reflect a 5 percent increase for Canadian staff and a 4 percent increase for U.S. staff from the previous year (COD Supplement section II, C, 3).

Grounds

- a. The recommended adjustment to the salary range targets are needed to reflect the marketplace salary inflationary increase that has been experienced in Canada and the United States.
 - b. These changes are consistent with the compensation levels included in the fiscal 2023 budget.
6. That synod ratify the following with regard to organizations requesting to be placed on the recommended-for-offerings list:
 - a. The list of above-ministry share and specially designated offerings for denominational agencies, institutions, and ministries of the CRC (COD Supplement section II, C, 4).
 - b. The list of nondenominational organizations, previously accredited, that have been approved for calendar year 2023 (COD Supplement section II, C, 5).
 7. That synod take note of the COD's endorsement of the following actions of the Pension Trustees (COD Supplement section II, C, 6):
 - a. The three-year average salary to be used to determine retirement benefits beginning in 2023 for ministers of the Word in the United States is \$56,625 and in Canada is \$61,060.
 - b. That the 2023 per-member assessment for the Canadian Plan remain \$37.20 and that the Canadian per-participant assessment remain \$7,704. Similarly, that the 2023 per-member assessment for the U.S. Plan remain \$37.20 and the U.S. per-participant assessment remain \$7,704.

II. Christian Reformed Church Loan Fund

- A. *Materials:* Christian Reformed Church Loan Fund, Inc., U.S. Report (section II), p. 165
- B. *Privilege of the Floor:* Mr. David E. Veen, director or any members of the board of directors of the Christian Reformed Church Loan Fund, In., U.S.
- C. *Recommendation*

That synod receive the report of the Christian Reformed Church Loan Fund as information.

III. Pensions and Insurance

- A. *Materials:* Pensions and Insurance Report (section II), pp. 176, 179-80
- B. *Privilege of the Floor:* John H. Bolt, members of the Canadian Pension Trustees and members of the U.S. Pension Trustees
- C. *Recommendations*

1. That synod designate up to 100 percent of a minister's early or normal retirement pension or disability pension for 2023 as housing allowance for United States income-tax purposes (IRS Ruling 1.107-1) but only to the extent that the pension is used to rent or provide a home.
2. That synod designate up to 100 percent of an ordained pastor's distributions from their CRC 403(b)(9) Retirement Income Plan in 2023 as housing allowance for United States income-tax purposes (IRS Ruling 1.107-1) but only to the extent that those funds are used to rent or provide a home.

IV. Denominational Investment Policy

- A. *Materials:* Council of Delegates Supplement, Appendix F
- B. *Recommendation*

That synod take note of the compliance of denominational investments with the denominational investment policy.

V. Ministry Share Discussion

- A. *Background*

The committee spent time discussing historical denominational ministry share contribution trends and emerging patterns arising from the recent transition to Ministry Shares Reimagined. Recognizing the important role ministry shares play in denominational budgeting, synod will be well served by an analysis of the dynamics behind historic trends and the changing ways congregations are approaching denominational funding.

- B. *Recommendation*

That synod instruct the Council of Delegates to examine congregational responses to Ministry Shares Reimagined, with particular attention to questions such as:

- Why are ministry share contributions declining, especially in the U.S.?
- In what ways are churches contributing in alternate ways?
- What other ministry priorities are congregations funding?
- What should we be doing going forward?

Grounds:

1. Ministry Shares Reimagined has introduced changes to denominational funding models in 2019 that warrant a review.
2. As the interim committee of synod, the COD is well positioned to review changes in synodical ministry shares pledges.

VI. Response to Overture 9: Implement Insurance for Short-Term Illness, from Classis Quinte

- A. *Materials:* Overture 9, p. 514

B. Recommendations

1. That synod instruct the executive director to curate Human Resources related best practices and templates including for congregational short-term disability.
2. That synod further instruct the executive director to study possible denominational and classical benevolence funds for congregations facing short-term disability needs.
3. That synod declare this as its answer to Overture 9.

Grounds:

- a. This recognizes the autonomy and contextual realities of local congregations while resourcing them with the HR expertise of denominational offices.
- b. In light of increased ministry stressors, the need for such policies is apparent.