

## **Report of the Church Extension Committee**

Dear Brethren

This is the first report of the new Church Extension Committee appointed by the last Synod in 2005. We would like to acknowledge the work undertaken by our previous committee, some of whom have undertaken the role for almost 40-years. God has certainly allowed the former committee to pass the baton with ease, the transition almost seamless. We give thanks to God for their past stewardship.

The past three years has seen this committee committed to ensuring the churches continue to be served well, providing transparency in all that the committee do in achieving the mandates set before them.

In this inter-synodical period, on November 14, 2007, the Lord took home to glory Jeremy Bosma, a young 45-year old godly man of vision and integrity who was part of us as a team. He is missed from this committee as well as from family and congregational life in the Dovedale congregation in Christchurch. A replacement for Jeremy has yet to be secured.

Our mandate encompasses serving the churches in administering the national Home Missionary Fund, Vicariate Fund, Needy Churches Fund, and a Building Fund (for loans), with the additional task of advising the stipend and allowances of ministers. Some of the current rules of each fund require rewording for clarity. The proposals and grounds being recommended are outlined in each of the sections below.

### **A. Funds**

The Church Extension Committee (CEC) administers the following four funds:

#### **1. Home Missionary Fund**

Funds are sourced from quotas from the churches. Consideration is given upon an annual application, budget and plan being received with the written concurrence of a sending/supervising church and that church's local Presbytery. Funds are raised and then released as there is no capital fund held.

##### **Wanganui**

The CEC has administered assistance of \$35,280 for the home mission work in Wanganui for 5-years until 2006 when the work continued on its own without national assistance through quotas.

##### **Kapiti-Mana**

National support for the Kapiti-Mana Home Mission work from the churches for 2-years to 2006 totalled \$28,000. The work was endorsed by the Presbytery Wellington with the Reformed Church of Wellington being the supervising church. In mid 2006 Rev. Jan Lion-Cachet received and accepted a call to serve as Minister of the Word and Sacraments in the Reformed Church of Klerksdorp in South Africa and the work sadly came to an end. This was also coupled with the church he had been pastoring and helping to establish deciding to leave the RCNZ and associate with a new group of Afrikaans-speaking churches.

Unfortunately although the work was financially supported by the Churches through this Committee, minimal updates were forthcoming (*cf. Office Bearers' Handbook, section 4 re Home Missionary rules, part 5: financial reporting*).

#### **2. Vicariate Fund**

The funds provided for a vicariate are sourced through quotas to the churches for subsequent distribution to the church where the vicar is placed. A budget is provided by that church prior to any payment, with the payment made (normally or ordinarily) in two instalments. The rules pertaining to this fund is outlined extensively in *Acts of Synod 1988, R18, art. 74.3,4; Acts of Synod 2005, Arts. 88, 92*; summarised in the *Office Bearers' Handbook, section 3 re Vicariate, part E: Financial Support*.

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### Recommendations

In order for us as a committee to serve the churches well and to ensure there is no ambiguity of information received in applications for Vicariate funding, we recommend:

1. *That Synod ADD to point 3c a further sentence: Applications are to include a copy of official notification from Deputies RTC or similar that a candidate has been granted a vicariate in their congregation; a financial budget for that vicariate for that period; a date when funds are required by, and an indication of the minimum level of financial support required for the vicariate (the latter deemed helpful to the committee in the event of pressure on the Vicariate Fund from other vicariate applications).*

In the guidelines (cf. Office Bearers' Handbook) there is a reference to a particular year or years. We recommend this be removed, namely point "3. Denominational support – d: The quota was set at \$10,000 for 1999, \$10,000 for 2000, \$5000 for 2001". The reference of time to any rule should be duly removed, in this case it is adequately covered in point 3b which states that "the fund is supported by quota levied on all churches". Quotas or levies to the churches are set for the next inter-synodical period at the previous meeting of Synod (refer *Acts of Synod 2005, Art. 92* for this past inter-synodical period). We recommend

2. *That Synod REMOVE point 3d of the rules as superfluous.*

Over the inter-synodical period, because of the increased number of vicariates, we have seen the need for an increase in the Fund account cap (being the maximum bank account balance the Fund can have). The Committee seeks an increase of the cap to \$60,000. Currently it is \$40,000 (cf. Office Bearers' Handbook, "3. Denominational support – e: The maximum amount of the fund is to be \$40,000. The churches will not be levied beyond this until the amount falls below this figure"). We recommend

3. *That Synod INCREASE the account cap from \$40,000 to \$60,000 (reference 3e of rules).*

### 3. Needy Churches Fund

The purpose of this fund is to provide assistance towards the stipend and other working expenses (excluding capital payments) of "needy churches". For the purpose of the administration of the Fund, Synod, acting upon the recommendation of the Church Extension Committee, will determine the minimum number of units which a church is required to have before it may extend a call and subsequently request assistance from this Fund. Currently this number is twenty (20) units. Furthermore, at each Synod the Church Extension Committee shall recommend a minimum contribution which, as an average, each unit belonging to the assisted church shall make towards their church funds. Currently this minimum contribution is \$1,900 per unit per annum.

During this past inter-synodical period, the Nelson church received assistance for one 12-month period. Assistance was given upon Christchurch Presbytery's recommendation and upon minimum 2/3rds agreement received by the churches in the RCNZ. Funds were raised through quotas and then duly released (as there is no capital funding held). Please continue to pray for our smaller churches in our denomination as they strive to bring a living gospel to their city and environs.

In the forthcoming inter-synodical period, we do not envisage any change in the Needy Churches formula.

### Recommendations

4. *That the minimum number of units to remain at twenty (20).*
5. *The the minimum annual contribution by each unit remain at \$1,900 pa.*
6. *That Synod*
  - 6.1 *REMOVE the account numbers in the "Rules for Needy Churches" (cf. Office Bearers' Handbook, section 6 - #3 definition of Needy Church) for the sentence to be amended from "assistance for building purposes is available by way of loans from account No IV of Church*

*Extension Committee” to “assistance for building purposes is available by way of a **Building Loan from the Church Extension Committee.**”*

6.2 REMOVE the account numbers in the “Rules for Needy Churches” (cf. Office Bearers’ Handbook, section 6 - #4 - administration) for the sentence to simply read “The Fund for Needy Churches shall be administrated by the Church Extension Committee” with the words “(accounts Nos 11 and 111)” at end of sentence being removed.

6.3 REDUCE the number of copies required to be sent with an application from FIVE to ONE, for the sentence in the “Rules for Needy Churches” (cf. Office Bearers’ Handbook, section 6 - #6 application) to be amended to read “The assisted church, while receiving such support, shall forward **a copy** of their financial statement each year to the secretary.”

#### **4. Building Fund**

The establishment of this fund dates back to the inception of the RCNZ in the 1950’s with funds growing from support provided by the churches in the Netherlands and the USA. We can thank God for the way that the Reformed Churches were supported through vision and gifts from those who saw to support a new Reformed Church denomination “down under”. Of the current total fund available of more than \$420,000, nine churches were provided loans in this past inter-synodical period to extend their church buildings from expanding ministries or simply upgrading facilities. Loans are currently provided at an interest rate of 3% per annum.

#### **Recommendation**

7. That Synod REDUCE the number of copies required to be sent with application from FIVE FOLD to ONE, for the sentence in the “Rules for Denominational Building Fund” (cf. Office Bearers’ Handbook, section 6 - #4) to be amended to read “Applications for new loans must be in the hands of the secretary, together with ...”etc REMOVING the words “in five fold”.

### **B. Minister’s Stipend and Allowances**

At the beginning of each calendar year the committee provides the churches with information pertaining to minister’s salaries (or stipends) and allowances both taxable and non-taxable, for inclusion in their annual budget. We have sought to provide this information year to year in a timely and efficient manner to assist the church treasurer’s in getting the right information and calculations to reduce any ambiguity or error.

Ministerial salaries in our Churches are based on that of the Presbyterian Churches of New Zealand/Aotearoa. The salary formula is a Basic Stipend plus Seniority Allowance rate plus non-taxable reimbursing allowance, and is sent every year to the Sessions and to their Treasurers. The PCNZ/A has during 2007 revised the scale of taxable seniority allowances payable, increasing both the years of service and particularly the percentage rate, and is phasing in both increases simultaneously over two years. This was outlined to the Churches in our letter of 21 February 2008. To reiterate, the previous seniority allowances payable were:

0 – 5 years service	0% of basic stipend	\$ 0.00
6 – 10 years service	2% of basic stipend	\$761.02
11 – 15 years service	4% of basic stipend	\$1,522.04
16+ years of service	6% of basic stipend	\$2,283.06

This year (2008), the seniority allowances are:

0 – 1 years service	0% of basic stipend	\$ 0.00
2 – 5 years service	3% of basic stipend	\$1,176.92
6 – 10 years service	6% of basic stipend	\$2,353.83
11+ years of service	9% of basic stipend	\$3,530.75

But next year (2009-10), the seniority allowances proposed by PCNZ/A are increasing to:

0 – 1 years service	0% of basic stipend	\$ 0.00
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2 – 5 years service	6% of basic stipend	\$2,353.83
6 – 10 years service	12% of basic stipend	\$4,707.67
11+ years of service	18% of basic stipend	\$7,061.50

Because these are substantial increases in quantum and earlier timing, and because the Committee has reservations about their appropriateness in the context of the Reformed Churches of New Zealand, we are seeking clarification from Synod as to:

- a) *the necessity for seniority allowances to be included in the standard minimum stipend and,*
- b) *if so the proper level of such allowances.*

We note that many churches pay a stipend to their ministers' which exceeds the recommended minimum for a number of reasons. This could reflect some particular local circumstance, it could reflect the minister's additional training or qualifications, or it could reflect the minister's experience and seniority. The Presbyterian scale does not recognise any extra qualification that a minister might have, e.g. a doctorate, yet it does recognise seniority. Our view is that a minister should be rewarded for the work he does, not simply for his qualifications or his seniority. Therefore a minimum, fair, adequate and indexed stipend is an appropriate starting point, to which any church has the freedom to add additional remuneration to reflect its own needs and to reflect the circumstances of its minister.

We wish to avoid a situation where small churches with limited resources who could well do with the services of an older, experienced minister, are unable to do so because they cannot afford the minimum stipend and seniority allowances. This seems a perverse result.

We question whether it necessary for a seniority allowance to be mandated and suggest that this could simply be one of the particular circumstances that is left to the local church to determine.

If Synod feels that a seniority allowance is necessary, we question whether the seniority allowances have to be mandatory and suggest that they could simply be guidelines which the local church can take into account and modify as necessary when setting the stipend.

If Synod feels that a mandatory seniority allowance is necessary, we question whether the new Presbyterian scale is appropriate and suggest that a reduced scale would be more satisfactory (possibly even continue with the old scale indexed to the CPI in the same manner as the stipend). We don't wish Synod to determine a certain level of allowances but give an indication of what range is acceptable.

## Recommendations

In accepting this report, we recommend:

### Vicariate Fund

1. *That Synod ADD to point 3c a further sentence: Applications are to include a copy of official notification from Deputies RTC or similar that a candidate has been granted a vicariate in their congregation; a financial budget for the vicariate; when funds are required by, and an indication of the minimum level of financial support required for the vicariate (deemed helpful to the committee in the event of pressure on the Vicariate Fund from other vicariate applications).*
2. *That Synod REMOVE point 3d of the rules, as superfluous*
3. *That Synod INCREASE the account cap from \$40,000 to \$60,000 (reference 3e of rules)*

### Needy Churches Fund

4. *That the minimum number of units to remain at twenty (20)*
5. *That the minimum annual contribution by each unit remain at \$1,900 pa*
6. *That Synod:*
  - 6.1 *REMOVE the account numbers in the "Rules for Needy Churches" (cf. Office Bearers'*

*Handbook, section 3- definition of Needy Church) for the sentence to be amended from “assistance for building purposes is available by way of loans from account No IV of Church Extension Committee” to “assistance for building purposes is available by way of a **Building Loan from the Church Extension Committee.**”*

*6.2 REMOVE the account numbers in the “Rules for Needy Churches” (cf. Office Bearers’ Handbook, section 6 - #4 - administration) for the sentence to simply read “The Fund for Needy Churches shall be administrated by the Church Extension Committee” with the words “(accounts Nos 11 and 111)” at end of sentence being removed.*

*6.3 REDUCE the number of copies required to be sent with application from FIVE to ONE, for the sentence in the “Rules for Needy Churches” (cf. Office Bearers’ Handbook, section 6 - #6 - application) to be amended to read “The assisted church, while receiving such support, shall forward a copy of their financial statement each year to the secretary.”*

### **Building Fund**

*7. That Synod REDUCE the number of copies required to be sent with application from FIVE FOLD to ONE, for the sentence in the “Rules for Denominational Building Fund” (cf. Office Bearers’ Handbook, section 6 - #4) to be amended to read “Applications for new loans must be in the hands of the secretary, together with ...”etc REMOVING the words “in five fold”.*

### **Annual Stipend**

*8. That Synod give the Church Extension Committee guidance as to:*

*8.1 the necessity for seniority allowances to be included in the standard minimum stipend and*

*8.2 if so, the proper level of such allowances.*

*9. That the Statement of Income and Expenditure for the period ended 31<sup>st</sup> March 2008 be received and accepted.*

*10. That the Statement of Financial Position as at 31<sup>st</sup> March 2008 be received and accepted.*

Respectfully submitted,

Roy de Vries (convenor)

Gerald Reinders (treasurer)

Albert Louman (secretary)

Jeremy Bosma, in glory – November 2007