

DEANERIES, CONGREGATIONS AND CLERGY – CORE BUDGET 2011

CODE	ACTUAL 2009	BUDGET 2010	COST CENTER	BUDGET 2011	FEES	PROGRAM	GRANTS	STIPENDS	STAFF	1099	SUPPORT	SERVICES	TRANSFER
	863,551	830,700	TOTALS:	704,214	-55,500	201,500	500	113,426	437,288	0	22,000	0	-15,000
1000	531,748	483,000	Deaneries, Cong. & Clergy	442,288	0	0	0	0	0	0	5,000	0	0
1001	58,542	6,000	Deaneries	6,000	0	0	0	0	437,288	0	6,000	0	0
1002	0	48,000	Deans	48,000	0	0	0	48,000	0	0	0	0	0
1003	0	6,000	Deanery Confirmations	6,000	0	0	0	0	0	0	6,000	0	0
1021	42,668	0	Deaneries, Cong. & Clergy	0	0	0	0	0	0	0	0	0	0
1101	3,010	0	Congregations	0	0	0	0	0	0	0	0	0	0
1111	14,858	14,000	Transition Ministries	14,000	0	9,000	0	0	0	0	5,000	0	0
1201	763	0	Clergy	0	0	0	0	0	0	0	0	0	0
1211	24,545	16,000	Sabbaticals	6,888	0	0	0	6,888	0	0	0	0	0
1212	7,180	8,000	Continuing Education	0	0	0	0	0	0	0	0	0	0
1213	0	0	MSASA EDS	8,679	0	0	0	8,679	0	0	0	0	0
1231	1,486	4,000	Support for Retired Clergy	4,000	0	3,500	500	0	0	0	0	0	0
1311	50,291	56,000	Commission on Ministry	56,000	0	56,000	0	0	0	0	0	0	0
1312	45,535	45,200	Seminarians	49,859	0	0	0	49,859	0	0	0	0	0
1321	6,604	6,000	Fresh Start Program	6,000	0	6,000	0	0	0	0	0	0	0
1331	12,243	12,000	Diaconate Program	15,000	0	15,000	0	0	0	0	0	0	0
1341	2,500	2,500	Clergy Family Network	2,500	0	2,500	0	0	0	0	0	0	0
1411	-403	0	Pre Lenten Retreat	1,500	-4,000	5,500	0	0	0	0	0	0	0
1421	61,749	30,000	Clergy Conference	35,000	-50,000	100,000	0	0	0	0	0	0	-15,000
1431	232	0	Clergy Day	2,500	-1,500	4,000	0	0	0	0	0	0	0

Congregational Resources and Training (see table on page 17)

Grant Programs: codes 2011, 2012, 2013, 2015, 2021, 2022, 2031

The Congregational Resources and Training area administers seven grant programs. For three of the programs, all of the program funds come from the spending policy income from specific endowments:

- Bristol County Case Grants: \$104,052, from the Case Bristol County fund (7002T)
- Deaf Ministry Grants: \$37,168, from the Deaf Ministry Endowment (7004H)
- House of Mercy Grants: \$24,117, from the House of Mercy fund (7002Y)

The four other programs are funded through the unrestricted income:

- Congregational Development Grants, open: \$200,000, increased \$40,000 from 2010
- Congregational Development Grants, targeted: level funded at \$70,000
- Sending Serving Grants: level funded at \$48,000
- Hispanic Ministry Grants: level funded at \$25,000

Note that the decisions for the Sending Serving and the House of Mercy grants are currently made by the 12 deanery assemblies.

Spring Learning Event and Fall Resource Day: 2112, 2113

The Congregational Resources and Training area traditionally hosts two large events each year, a spring learning event and a fall resource day. In 2010 the spring learning event was held at the Cathedral Church of St. Paul, at a significant cost savings, and the 2011 budget anticipates that a similar cost savings will be achieved in 2011.

Workshops, Programs, Practice Areas, Resource Center & Other Support: 2000

The Congregational Resources and Training area is home to a number of different initiatives that may have different needs, requirements and priorities from year to year. The 2011 budget allocates \$40,000 for these programs, to be allocated by the director of the area and the diocesan leadership team. The reduction from the 2010 budget allocation of \$60,000 is offset by increases elsewhere in the area's budget.

Communications: 2311

A new plan and strategy for diocesan communications is well underway, and greater information about it will be presented over the next few months. In preparation for this, the 2011 budget allocates a total of \$150,000 to this initiative. With this allocation, there is no separate additional allocation for either the *FYI* or the *Episcopal Times* publications.

Area Staff and Expenses: 2000 (staff and support)

As shown in the staff table (see Appendix 5), this area has four staff positions within it, with a total compensation cost of \$359,824, plus \$8,000 allocated for area expenses. The total staff expense in the core budget is offset by a fee of \$52,000 to be paid through the funds from the closed churches, to reflect the staff time spent by the staff person coordinating the closing activities. The fee will be collected proportionately from the various closed church funds based on the relative time spent on each closing.

CONGREGATIONAL RESOURCES AND TRAINING – CORE BUDGET 2011

CODE	ACTUAL 2009	BUDGET 2010	COST CENTER	BUDGET 2011	FEES	PROGRAM	GRANTS	STIPENDS	STAFF	1099	SUPPORT	SERVICES	TRANSFER
	858,014	931,835	TOTALS:	1,029,161	-63,000	216,000	508,337	0	359,824	0	8,000	0	0
2000	388,121	383,000	CONG RESOURCES & TRAINING	407,824	0	40,000	0	0	359,824	0	8,000	0	0
2011	43,889	160,000	Cong Dev Open Grants	200,000	0	0	200,000	0	0	0	0	0	0
2012	151,120	70,000	Cong Dev Targeted Grants	70,000	0	0	70,000	0	0	0	0	0	0
2013	83,109	90,000	Bristol County Case Fund Grants	104,052	0	0	104,052	0	0	0	0	0	0
2015	0	0	Deaf Ministry Grants	37,168	0	0	37,168	0	0	0	0	0	0
2021	35,500	48,000	Sending Serving Grants	48,000	0	0	48,000	0	0	0	0	0	0
2022	40,730	30,000	House of Mercy Grants	24,117	0	0	24,117	0	0	0	0	0	0
2031	0	0	Hispanic Ministries	25,000	0	0	25,000	0	0	0	0	0	0
2111	6,474	0	CRT Events	0	-5,000	5,000	0	0	0	0	0	0	0
2112	13,343	12,000	Spring Learning Event	4,000	-2,000	6,000	0	0	0	0	0	0	0
2113	9,208	17,000	Resource Day	11,000	-4,000	15,000	0	0	0	0	0	0	0
2131	-183	15,300	CRT Workshops	0	0	0	0	0	0	0	0	0	0
2132	1,520	0	Anti-Racism	0	0	0	0	0	0	0	0	0	0
2133	6,372	0	Safe Church	0	0	0	0	0	0	0	0	0	0
2151	2,140	0	Resource Center	0	0	0	0	0	0	0	0	0	0
2161	3,615	0	Consultants and Coaches	0	0	0	0	0	0	0	0	0	0
2171	6,640	0	Practice Areas	0	0	0	0	0	0	0	0	0	0
2211	3,497	0	Congregation Support	0	0	0	0	0	0	0	0	0	0
2221	4,483	0	Program Support	0	0	0	0	0	0	0	0	0	0
2222	-335	0	Family Camp	0	0	0	0	0	0	0	0	0	0
2231	0	0	Committee Support	0	0	0	0	0	0	0	0	0	0
2311	49,250	20,000	Diocesan Communications	150,000	0	150,000	0	0	0	0	0	0	0
2312	14,760	15,000	FYI Newsletter	0	0	0	0	0	0	0	0	0	0
2313	1,059	71,535	Episcopal Times	0	0	0	0	0	0	0	0	0	0
2901	-6,299	0	Closed Congregations	-52,000	-52,000	0	0	0	0	0	0	0	0

Strategic Ministries (see table on page 20)

Youth Ministry: 3011

At the request of the diocesan leadership team, the allocation for the program and staff in youth ministry for 2011 is \$139,230, an increase of \$37,230 over 2010.

Life Together: 3056

The Life Together program, which is the new name for the combined Relational Evangelism and Micah Project programs, has just started its third year. (The program year runs from August to July.) During the second year, the total expenses and revenues for Life Together were approximately \$400,000, of which \$75,000 came from the 2010 core budget. The program has expanded this program year, with a projected expense budget of approximately \$500,000; the core budget contribution remains at \$75,000.

The Dorchester Partnership: 3331

The current commitments to the Dorchester Partnership in place now for the 2011 calendar year are as follows: \$126,600 proposed in this core budget; \$45,000 as the balance of a \$150,000 extraordinary commitment made by the Executive Committee of Diocesan Council in 2008, when the partnership was first developed; \$22,000 from a bishop's discretionary fund grant, pledged when the partnership was first developed; and, to help defray the compensation costs assumed by the diocese, \$32,000, equal to \$16,000 each, from St. Mary's and St. Mark's, representing a \$2,000 per month pledge made at the start of the partnership.

For the past two years, the core budget allocation to the Dorchester Partnership has included the revenue from the Jessie B. Cox endowment fund, known as the Cox Fellowship. This fund (7003A) will generate \$26,214 in 2011. Historically, the diocesan bishop has designated the Cox Fellow.

St. Paul's Church, Brockton: 3221

For much of the budget process, the working assumption was that the proposed 2011 budget would include some support for this ministry, but at a reduced level from 2010. The most recent developments indicate no core budget funding in 2011; instead, the mission will draw upon its existing funds to support the vicar. Additionally an African Ministries grant will provide for a priest to help sustain ministry in Brockton until a long-term strategy is developed.

Campus Ministries: 3111, 3121, 3131, 3136, 3141

The proposed core budget provides for two full-time chaplains, one half-time chaplain and one half-year intern (at Boston University), plus \$24,000 in program support equally allocated across the four campuses (BC, BU, MIT and Northeastern).

Continuing Grants for Congregations: 3231, 3241, 3251, 3311

The proposed core budget maintains level funding for grants that help pay for clergy at the following congregations:

- St. Luke's/San Lucas, Chelsea (\$66,000)
- Christ Church and Iglesia de San Juan, Hyde Park (\$44,000)
- St. Stephen's Church, South End, Boston (\$88,000)
- Boston Cantonese Congregation (\$88,000)

Hispanic Ministries in Salem and Lawrence: 3341, 3351

The parishes of St. Peter's Church, Salem and Grace Church, Lawrence receive grants to support their Hispanic ministries. In 2010, the core budget provided grants of \$70,000 and \$22,000, respectively; in 2011, the proposed allocations are \$80,000 and \$72,000, respectively, for a total increase of \$60,000. The increase in the grant to the Lawrence ministry should be balanced against the loss of diocesan support, in the amount of \$70,000 per year, that was provided from 2007 to 2010 through the Urban Residents program.

Urban Residents: 3411

The core budget has provided the funding for one urban resident, at \$70,000, for the past several years, while funding for the others has come from targeted development efforts and grants from the bishop's discretionary funds. In 2011 there will be four Urban Residents (one who is half time and three who are full time), three of whose terms expire mid-year.

African Ministries: 3431

The allocation for 2011 remains at \$47,500.

Jubilee Ministry: 3511

The Episcopal Church's General Convention asks dioceses to commit 0.7 percent to this work. Our core budget allocation to this program remains at \$45,000, just over the 0.7 percent commitment. The Jubilee Ministry supplements its grant programs with significant additional donations and other fundraising.

Mission through Partnerships: 3551

This covers diocesan work with parishes on mission partnerships. The 2011 budget allocation is \$10,000, which is a decrease of \$1,000 from the 2010 budget.

Episcopal City Mission: 3931

The budget continues the long-standing commitment to ECM's Burgess Urban Fund with a level-funded \$30,000 grant.

STRATEGIC MINISTRIES – CORE BUDGET 2011

CODE	ACTUAL 2009	BUDGET 2010	COST CENTER	BUDGET 2011	FEEES	PROGRAM	GRANTS	STIPENDS	STAFF	1099	SUPPORT	SERVICES	TRANSFER
	1,492,407	1,382,298	TOTALS:	1,257,281	0	125,000	787,100	0	321,181	0	24,000	0	0
3000	15,114	0	STRATEGIC MINISTRIES	0	0	0	0	0	0	0	0	0	0
3001	0	0	Young Adult and Youth Ministries	0	0	0	0	0	0	0	0	0	0
3011	114,755	102,000	Youth Ministry	139,230	0	70,000	0	0	69,230	0	0	0	0
3012	-2,633	0	Youth Leadership Academy	0	0	0	0	0	0	0	0	0	0
3051	77,900	40,000	Micah Project	0	0	0	0	0	0	0	0	0	0
3056	0	0	Life Together	75,000	0	0	75,000	0	0	0	0	0	0
3061	37,251	35,000	Relational Evangelism Project	0	0	0	0	0	0	0	0	0	0
3100	0	24,000	College Ministry	0	0	0	0	0	0	0	0	0	0
3111	117,933	111,604	MIT	112,523	0	0	0	0	106,523	0	6,000	0	0
3121	45,536	44,000	Boston University	54,803	0	0	0	0	48,803	0	6,000	0	0
3131	0	41,997	Boston College	6,000	0	0	0	0	0	0	6,000	0	0
3136	97,534	0	BC/NU Combined	96,625	0	0	0	0	96,625	0	0	0	0
3141	0	41,997	Northeastern	6,000	0	0	0	0	0	0	6,000	0	0
3151	18,148	0	Framingham State	0	0	0	0	0	0	0	0	0	0
3211	29,013	30,000	Natick, St Andrew's Deaf Ministry	0	0	0	0	0	0	0	0	0	0
3221	88,000	88,000	Brockton, St Paul's	0	0	0	0	0	0	0	0	0	0
3231	66,000	66,000	Chelsea, St Lukes/San Lucas	66,000	0	0	66,000	0	0	0	0	0	0
3241	49,000	44,000	Hyde Park, Christ Church/San Juan	44,000	0	0	44,000	0	0	0	0	0	0
3251	117,026	88,000	South End, St Stephen's	88,000	0	0	88,000	0	0	0	0	0	0
3311	207,849	88,000	Boston Cantonese Congregation	88,000	0	0	88,000	0	0	0	0	0	0
3321	2,800	20,000	Cantonese Life Program	0	0	0	0	0	0	0	0	0	0
3331	199,078	114,000	Dorchester Partnership	126,600	0	0	126,600	0	0	0	0	0	0
3341	35,000	70,000	Hispanic Ministry in Salem	80,000	0	0	80,000	0	0	0	0	0	0
3351	16,500	22,000	Lawrence, Grace Church	72,000	0	0	72,000	0	0	0	0	0	0
3411	70,328	70,000	Urban Residents	70,000	0	0	70,000	0	0	0	0	0	0
3421	30,250	95,000	Hispanic Ministries	0	0	0	0	0	0	0	0	0	0
3431	10,160	47,500	African Ministries	47,500	0	0	47,500	0	0	0	0	0	0
3441	0	0	Veterans' Ministry	0	0	0	0	0	0	0	0	0	0
3500	0	0	Mission Partnerships	0	0	0	0	0	0	0	0	0	0
3511	49,090	45,000	Jubilee Ministry	45,000	0	45,000	0	0	0	0	0	0	0
3521	0	0	Gulf Coast Partnership	0	0	0	0	0	0	0	0	0	0
3531	0	0	Committee on Palestine and Israel	0	0	0	0	0	0	0	0	0	0
3541	7,281	0	B-SAFE	0	0	0	0	0	0	0	0	0	0
3551	3,936	11,000	Mission Through Partnerships	10,000	0	10,000	0	0	0	0	0	0	0
3911	0	3,200	Cathedral Church of St Paul	0	0	0	0	0	0	0	0	0	0
3921	-53,097	0	Barbara C Harris Camp & Conf Center	0	0	0	0	0	0	0	0	0	0
3931	30,000	30,000	Episcopal City Mission	30,000	0	0	30,000	0	0	0	0	0	0
3941	0	0	Ecclesia Ministry	0	0	0	0	0	0	0	0	0	0
3951	9,700	10,000	MSASA EDS	0	0	0	0	0	0	0	0	0	0
3952	2,956	0	UTO/American Indians/CHS	0	0	0	0	0	0	0	0	0	0
3953	0	0	Episcopal Relief and Development	0	0	0	0	0	0	0	0	0	0

Episcopal and Diocesan Support (see table on page 23)

Diocesan Leadership Team: 4011, 4012, 4013, 4014

These four codes carry the compensation and supporting expenses for the diocesan bishop, the bishops suffragan and the canon to the ordinary. The expense budgets for the four members of the leadership team are significantly reduced by \$50,000.

Budgeted Resources for the Diocesan Leadership Team: 4099

Resources for Unforeseen Events and Needs: In order to be prepared for unexpected situations that may require additional funding, it is reasonable to set aside some funds now. Last year's budget had similar funds distributed among the five operational areas. For the 2011 budget the canon to the ordinary will work with the budget representatives from the five areas to evaluate the alternative uses of these funds during the year. The total amount set aside is \$85,000, somewhat arbitrarily allocated between "program" (\$70,000) and "support" (\$15,000).

Resources for Legal and Other Professional Services: From a bookkeeping perspective, legal work will be charged to the cost center(s) directly involved. From a budget perspective, there is a single budget line for legal services for the diocese, and that amounts to \$65,000 for 2011.

Area Staff and Expenses: 4000 (staff and support)

The diocesan full-time staff included in this area are the four members of the diocesan leadership team, plus the administrator of Convention and Council and the administrative assistant to the canon to the ordinary. In addition, there are budgeted resources for part-time and temporary support for Bishop Suffragan Harris and for the Archives.

Funds Available for Additional Staff Compensation: 4099

The final item in the 4099 cost code is an allocation of \$52,000 available for additional staff compensation. This is in addition to the \$26,432 budgeted to pay for the projected increase in health insurance premiums. As mentioned in an earlier section, increased staff salaries was a top priority for Bishop Shaw and Bishop Cederholm.

Assisting Bishops: 4021

The allocation remains at \$1,000 for payments to bishops who fill in as needed.

Title IV: 4061

The convention will be asked to approve new canons implementing Title IV disciplinary procedures. A reasonable estimate of the implementation costs in 2011 is \$10,000.

Diocesan Council, Standing Committee, Diocesan Youth Council: 4111, 4121, 4131

These three canonical bodies are level funded for 2011 at \$8,500, \$2,500 and \$3,000 respectively.

Diocesan Convention: 4141

Although the 2011 convention will be a two-day event at a hotel/conference center site, the core budget allocation remains at \$30,000 as the Development Council will assume some of the additional costs of the event.

Journals and Diocesan Directory: 4151

These costs are not expected to change in 2011, and thus are level funded.

Archives: 4211

The program allocation of \$8,486 and staff support of \$25,000 are supported through the revenue received from five trust funds: the Mary K. D. Babcock Fund I (50% of 7001Q), the Mary K. Babcock Fund II (7001R), the Julia K. Davey Fund (7001S), the William C. Winslow Fund (7001T) and the Edmund F. Slafter Fund II (9001B).

Contribution to the Massachusetts Council of Churches: 4251

In past years, the diocese has contributed \$50,000 to the Massachusetts Council of Churches. Last year's budget proposal indicated that we were looking for a co-sponsor of this grant; this search did not pan out. Thus, unlike last year, the 2011 core budget includes the full \$50,000.

Development: 4311

Since 2009, the Development Office staff has been funded in the supplemental budget, through a grant from the bishop's discretionary fund. The work of the Development Office, through the Annual Fund appeals, directed development efforts on behalf of specific ministries, external grant applications, planned giving and the development of a capital campaign are essential to the viability of a supplemental budget program.

General Convention: 4411

To prepare for the expenses of sending a delegation to the Episcopal Church's triennial General Convention in 2012, the core budget reserves \$18,000.

Province I Assessment and Program: 4421

The core budget allocation for 2011 is \$18,000, an increase of \$1,300 from the 2010 budget, as the province has increased its request of the member dioceses.

The Episcopal Church Ask: 4431

Last year the Diocesan Council formally adopted a process for determining the amount to budget for payment to the Episcopal Church. The new process identifies the specific "base" revenue streams on which the council agrees to compute the voluntary payment. The revenue streams identified for this purpose are: (a) the net contributions from congregations; and (b) the core budget spending policy draws from unrestricted trust funds and endowments. For the purpose of the 2011 budget, the budgeted expense is based on the projected revenues in 2011, even though the actual cash payment due to the Episcopal Church will not be due until 2013. (In 2011, our diocesan payments will be determined by the revenue received in 2009.)

EPISCOPAL AND DIOCESAN SUPPORT – CORE BUDGET 2011

CODE	ACTUAL 2009	BUDGET 2010	COST CENTER	BUDGET 2011	FEES	PROGRAM	GRANTS	STIPENDS	STAFF	1099	SUPPORT	SERVICES	TRANSFER
	2,305,547	2,212,900		2,247,175	0	143,486	998,724	50,000	888,590	37,875	97,500	83,000	0
			TOTALS:										
4000	17,587	175,000	EPISCOPAL AND DIOCESAN SUPPORT	146,203	0	0	0	0	143,703	0	2,500	0	0
4005	-3,844	0	Canon of the Ordinary Expenses	0	0	0	0	0	0	0	0	0	0
4010	0	784,000	Diocesan Leadership Team	0	0	0	0	0	0	0	0	0	0
4011	292,495	63,000	Diocesan Bishop	229,328	0	0	0	0	204,328	0	25,000	0	0
4012	201,789	33,000	Suffragan Bishop 1	191,297	0	0	0	0	173,297	0	18,000	0	0
4013	186,461	33,000	Suffragan Bishop 2	202,147	0	0	0	0	159,147	25,000	18,000	0	0
4014	158,580	0	Canon to the Ordinary	161,990	0	0	0	0	143,990	0	18,000	0	0
4021	401	1,000	Assisting Bishops	1,000	0	0	0	0	0	0	1,000	0	0
4031	21,338	0	Chancellor	0	0	0	0	0	0	0	0	0	0
4061	0	0	Title IV	10,000	0	10,000	0	0	0	0	0	0	0
4089	0	0	DLT Budgeted Resources	150,000	0	70,000	0	0	52,000	0	15,000	65,000	0
4100	0	0	Polity Administrative Support	0	0	0	0	0	0	0	0	0	0
4111	9,094	8,500	Diocesan Council	8,500	0	8,500	0	0	0	0	0	0	0
4121	2,726	2,500	Standing Committee	2,500	0	2,500	0	0	0	0	0	0	0
4131	2,589	3,000	Diocesan Youth Council	3,000	0	3,000	0	0	0	0	0	0	0
4141	92,210	30,000	EDOM Annual Convention	30,000	0	30,000	0	0	0	0	0	0	0
4151	9,585	11,000	Journals and Diocesan Directory	11,000	0	11,000	0	0	0	0	0	0	0
4211	10,944	7,200	Archives	33,486	0	8,486	0	0	12,124	12,875	0	0	0
4251	50,004	25,000	Mass Council of Churches	50,000	0	0	0	50,000	0	0	0	0	0
4261	1,685	0	Ecumenical Committee	0	0	0	0	0	0	0	0	0	0
4311	0	0	Development	0	0	0	0	0	0	0	0	0	0
4411	44,846	0	National General Convention	18,000	0	0	0	0	0	0	0	0	0
4421	17,057	16,700	Province I Assessment and Program	18,000	0	0	18,000	0	0	0	0	18,000	0
4431	1,190,000	1,020,000	The Episcopal Church Assessment	980,724	0	0	980,724	0	0	0	0	0	0

Administrative Services (see table on page 26)

Area Staff and Expenses: 5000

As shown in the staff table (see Appendix 5), this area has five staff positions within it, with a total compensation cost of \$415,938, plus \$5,000 allocated for area expenses.

Treasurer's Office: 5011

The plan for the Treasurer's Office is to add another staff person, but in the meantime, the office has relied on an external consultant. The budget is based on the current situation, and thus includes \$35,000 for "regular" outside consulting services and an additional \$115,000 for the current practice of using an outside consultant for functions that ideally will be turned over to permanent staff sometime in 2011. In addition, there is \$30,000 in the Treasurer's Office services allocation for the audit.

The fees of \$135,500 represent charges to various related entities for the services provided them by the Treasurer's Office. For 2011, the projected fees are \$69,300 from the Trustees of Donations, \$45,000 from the cathedral, \$20,000 from the Stokes loan fund, \$500 from Episcopal City Mission and \$250 each from the two societies (intentionally offsetting the two \$250 grants provided to the societies from the Benjamin Leeds endowment).

Human Resources: 5021

In the 2011 core budget, this cost center has its own expense allocation of \$2,000.

Information Technology: 5031

The information technology cost center makes use of a weekly external consultant, for which there is a \$50,000 allocation for 2011. In addition, the core budget provides \$25,000 for other purchases and services. The core budget also projects that the area will receive fees of \$2,750 each from the cathedral and Episcopal City Mission for the information technology services provided.

Risk Management: 5041

The projected insurance expenses for 2011 are \$75,000.

Facilities: 138 Tremont Street: 5111

The core budget allocates \$330,000 for rent paid to the cathedral, and an additional \$46,000 for phones, equipment and other services not paid for by other cost centers.

Depreciation and Capital Purchases

It has been standard budget practice that depreciation expenses have not been included in the annual budget. The effect of this is that funds for capital purchases are “free” in some sense; it is clear that they cannot be paid for through the annual budget process, so when a capital expenditure is needed, such as the HVAC renovation or deferred repairs to 40 Prescott Street, the council has a discussion that stretches over several meetings and usually takes an extraordinary draw from the unrestricted endowment to pay for it.

Our current auditors require us to include depreciation in our operating expenses, so the discrepancy between our budgeting practices and our audited statements will be clear to those who choose to examine both documents.

The dollar amount of depreciation expenses will be about \$180,000 in 2011, significantly higher than that in 2009 due to the HVAC work.

From the perspective of our spending policy draw from our endowment funds, the depreciation expense is equivalent to an additional draw from endowment of 1.1 percent.

ADMINISTRATIVE SERVICES – CORE BUDGET 2011

CODE	ACTUAL 2009	BUDGET 2010	COST CENTER	BUDGET 2011	FEES	PROGRAM	GRANTS	STIPENDS	STAFF	1099	SUPPORT	SERVICES	TRANSFER
	1,113,871	1,019,100	TOTALS:	992,138	-140,800	0	0	0	415,938	0	412,000	305,000	0
5000	448,809	620,400	ADMINISTRATIVE SERVICES	420,938	0	0	0	0	415,938	0	5,000	0	0
5011	205,195	0	Treasurer's Office	44,700	-135,300	0	0	0	0	0	0	180,000	0
5021	10,208	0	Human Resources	2,000	0	0	0	0	0	0	2,000	0	0
5031	87,595	72,000	Information Technology	69,500	-5,500	0	0	0	0	0	25,000	50,000	0
5041	96,101	136,000	Risk Management	75,000	0	0	0	0	0	0	0	75,000	0
5051	0	0	Investments	0	0	0	0	0	0	0	0	0	0
5100	0	0	Diocesan Facilities	0	0	0	0	0	0	0	0	0	0
5111	386,247	315,000	Boston, 138 Tremont Street	380,000	0	0	0	0	0	0	380,000	0	0
5121	1,857	0	Brookline, 40 Prescott Street	0	0	0	0	0	0	0	0	0	0
5131	2,750	0	Mission Properties	0	0	0	0	0	0	0	0	0	0
5141	1,910	0	Diocesan Properties	0	0	0	0	0	0	0	0	0	0
5511	-20,000	-20,000	Services to Stokes Loan	0	0	0	0	0	0	0	0	0	0
5521	-37,500	-35,000	Services to Cathedral	0	0	0	0	0	0	0	0	0	0
5531	0	0	Services to MCA	0	0	0	0	0	0	0	0	0	0
5541	-69,300	-69,300	Services to Trustees of Donation	0	0	0	0	0	0	0	0	0	0