

## **TREASURER'S REPORT**

June 4, 2021

As I typically do, in the Treasurer's Report I'll be providing a review of the recently completed fiscal year and some brief comments on the current year. In addition, I'll provide comments on the proposed budget for 2022. Continuing with what we started a couple of years ago, for the proposed budget for 2022, I'll provide two versions; a narrative version of the budget explaining what ministries are supported in each area, along with the usual spreadsheet style format containing all of the detailed line item amounts.

### **Financial status at the close of the recently completed fiscal year**

As the pandemic began early in 2020, we did not know what to expect, because none of us had lived through something like this before. This uncertainty created much anxiety in many areas of our lives, not the least of which was in the area of finances. People lost their jobs, were forced to work from home, could not gather to worship or celebrate or participate in all manner of events. All of these could and did affect our income and how we spent the money we had.

At every level of the ELCA, leaders worked to, as the saying goes, "plan for the worst and hope for the best". This was certainly true for the Central States Synod as we made decisions to reduce or postpone expenses and received a Payroll Protection Program (PPP) loan from the Small Business Administration (SBA) to ensure that the synod could continue to operate and support our hard working staff. Those were the "plan for the worst" actions.

In the "hope for the best category", we saw something amazing happen. Our income increased from the amount that we received in 2019! This was led by a significant increase in the mission support that we received from the congregations of the synod. On top of that, the response to the Annual Appeal conducted in the fall was the largest that we had ever seen. Hope indeed!

I am always grateful for the support that we receive from our congregations but this year that gratitude is mixed with surprise, admiration, and an affirmed spirit of partnership. Surprise with the increase in giving during a time when we could not worship in person, admiration for how our congregations responded to the challenges the pandemic presented, and the affirmation that we are indeed partners in God's mission by the ways that we support each other. We are Church Together!

### **Income vs. Expenditures**

Total Expenditures for 2020 were \$1,549,289. Total Revenue & Support was \$1,692,771, which was \$70,820 more than anticipated and \$35,817 more than the previous year. The synod ended the year with a \$143,482 surplus in our operating budget, as compared to a \$47,756 surplus in 2019. We did receive a PPP loan of \$167,200; however, this is not included in the numbers above, but is an addition to our cash intake for the year. We were in full compliance with the requirements for PPP and received forgiveness of the full amount of the loan from the SBA.

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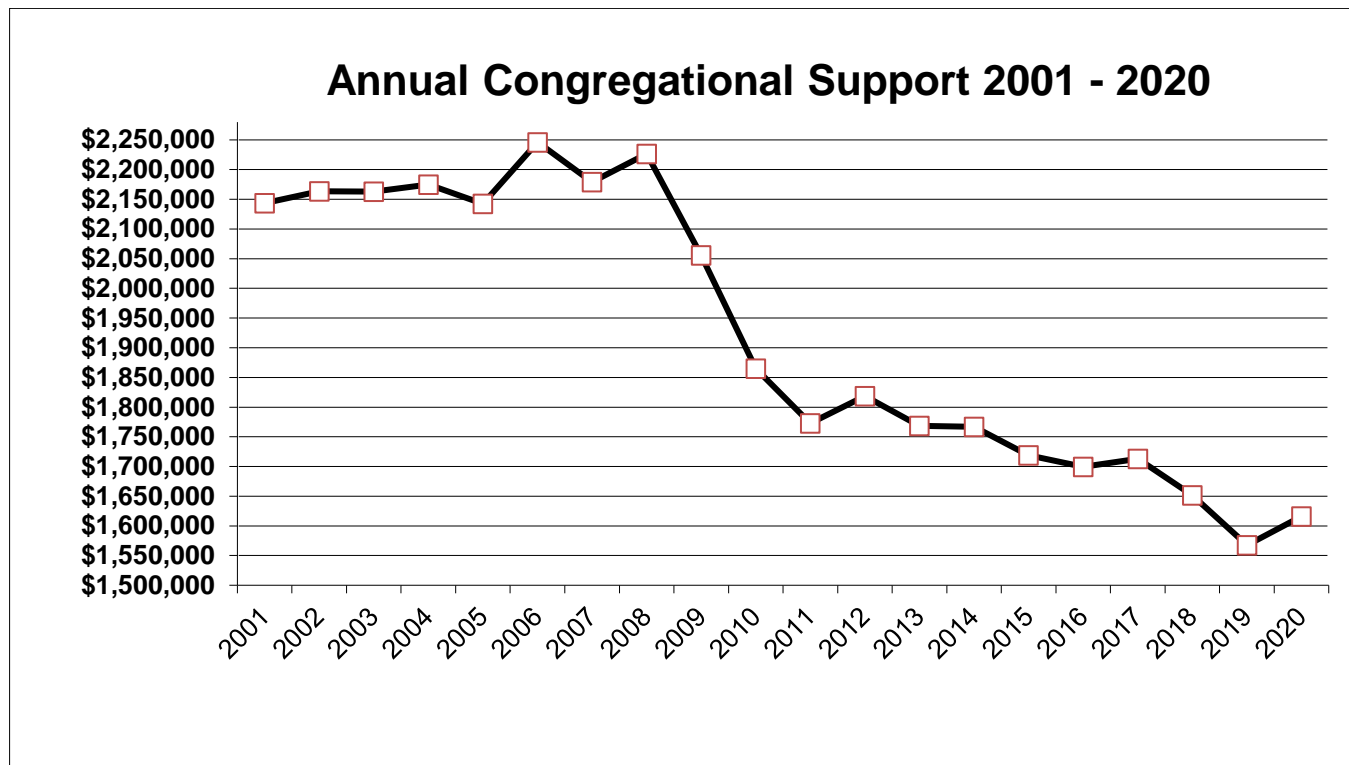
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The spending reductions implemented during the year included: delaying the annual audit, lower usage of supplies, few in-person meetings, and curtailed travel. In addition, we reduced the staff by the equivalent of 1 full position, experienced staffing changes with two of the campus ministry sites, and had much lower Candidacy costs.

A detailed listing of the actual income and expenditures for 2020 is included in the attached budget spreadsheet. Refer to the “FYE 1/31/2021 Actual” column.

### **Congregational Support**

The synod experienced a 3.0% increase of \$48,556 in congregational support from the previous year, increasing from \$1,567,500 to \$1,616,056. This is in stark contrast to the sharp decreases that we experienced in the two previous years. The following graph shows this as well as the giving trend over the past 20 years.



A report detailing the support received in 2020 from each congregation of the synod is attached as a part of this report.

### **ELCA Churchwide**

In 2020, the synod continued to contribute to the Churchwide organization at a 50% rate. This means that half of the donations received from our congregations and from the annual appeal are shared with the larger church. The total contributed was \$808,028, which was an increase of \$16,348 or 2.0% from the previous year.

### **Annual Audit**

In order to defer some of our expenses as a part of managing our cash flow during the pandemic, the annual audit of our accounts and practices for the 2019 fiscal year was delayed to later in 2020. This audit is underway now, but is not yet complete, nor is the audit for 2020. When the audited financial statements for these years are available, they will be posted on the synod web site.

### **Current fiscal year budget, calendar year 2021**

The Synod Council revised the approved budget for the current fiscal year to create a “spending budget” that takes into account additional or new information received since last year’s assembly. This spending budget is included in the attached detailed budget spreadsheet as the “Revised” column for 2021 (FYE 1/31/2022).

We placed the surplus from last year into a temporarily restricted account. It is our intention to use these funds to augment our budget over the next couple of years to share this surplus with our congregations and other ministry partners. You will see this show up in several of the changes and additions that were made to the budget for the 2021 calendar year.

For the 2021 spending budget, the following key changes were made:

- a. Designated that \$81,668 be released from the temporarily restricted fund that was created from the 2020 surplus,
- b. Reimbursements to be received was decreased by \$10,000 to reflect the amounts received in recent years,
- c. Increased the amount of the grant for Hollis Center
- d. Added grants for our advocacy organizations in Kansas and Missouri, Kansas Interfaith Action Coalition and Missouri Voices of Faith
- e. Added \$10,000 to support a congregational vitality initiative via Faith Innovations
- f. Added \$10,000 to support a leadership development initiative in conjunction with the Kansas Leadership Center
- g. Implemented a net decrease in Synod Salaries & Benefits resulting from several changes, including a reduction in staff, an increase for the bishop and bishop’s assistant based on the synod guidelines, and a 3% increase for the remainder of the staff
- h. Returned the support for Campus Ministry compensation to the previous amount of \$145,000
- i. Increased the amount of the grants to Bethany College, Lutheran School of Theology, and Wartburg Seminary by \$5,000 each
- j. Added a \$10,000 grant amount to support technical enhancement and communications efforts for each of the five conferences in the synod
- k. Added a \$20,000 grant amount to support congregations in enhancing the technology to support their outreach and evangelism ministries

The last item on the list of changes above concerns a \$20,000 grant amount that is set aside for our congregations and other synod ministries to use to for technology enhancements. We established this grant to

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share in the surplus from last year with the ministries that helped to make it possible. We have already distributed a good chunk of this grant to 31 congregations, but we still have funds remaining! I encourage every congregation that has a need to take advantage of this grant opportunity, if you have not already done so. We are providing grants of up to \$500 per congregation. Please contact the synod office for instructions on how to apply.

### **Proposed budget for calendar year 2022, Fiscal Year Ending January 31, 2023**

The proposed budget for the fiscal year ending on January 31, 2023 is shown in the attached detailed budget spreadsheet for your consideration. This is shown in the “Proposed” column for the year 2022 (FYE 1/31/2023) in the attached budget spreadsheet. This budget will be presented at the synod assembly for approval.

The budget presented is targeting congregational giving of \$1,550,000, which is the same as the budget for the previous two years. In this budget, our Total Support & Revenue will support our anticipated Total Expenses of \$1,674,534.

There are a few significant changes in this proposed budget:

1. The amount to be released from the temporarily restricted fund containing the 2020 surplus has been reduced to \$63,634,
2. The Faith Innovations grant has been eliminated, because it is only a one year initiative,
3. Synod Salaries & Benefits were increased to \$485,709 to reflect a 2% salary increase for the staff and an increase in benefits costs,
4. The technology enhancement grants for the Conferences and the congregations were reduced by 50% with the expectation that the majority of the requests for these funds will have already been fulfilled in 2021.

## **Mission Endowment Fund**

Authorized by the 1999 Synod Assembly, the Mission Endowment Fund has been providing financial support for over 20 years for a variety of ministries across the synod that are not supported by the synod's operating budget.

The Mission Endowment Fund receives planned gifts and bequests from wills, estates, and congregation closures. The principle is invested and produces annual earnings to benefit leadership development in the form of: rostered persons' continuing education and sabbatical leave, lay schools of theology, seminarian scholarships and seminary graduates' debt retirement. The earnings also support outreach in our synod including: new ministry starts and congregational revitalization.

A donor can designate an endowment gift toward a specific purpose in the Fund or the donation can be included in the Central States Legacy Fund, which will support all of the purposes mentioned above.

I encourage all rostered leaders, lay leaders, and congregations to take advantage of the support available from the Mission Endowment Fund. For more information, please go to the synod web site or you can contact me and I'll be delighted to help you.

In closing, I would like to express my thanks to the members of the Mission Budget Team for all of their good work throughout the year. It is an honor and privilege for me to serve the synod and I am blessed to be able to work with each of these good and faithful servants.

Respectfully submitted,  
Scott Schulte  
Treasurer

## **2022 Narrative Budget**

Continuing with our practice of recent years, we are presenting this narrative budget as a supplement to the usual spreadsheet style budget that follows in the assembly binder material. This approach helps relate the dollar figures in the budget to specific ministry plans for the coming year. The dollar figures are summations of the specific line items in the budget proposal.

Let's walk through how we will spend our money in 2022!

### **We are Church Together (\$780,000)**

Half of all contributions received by the Central States Synod are shared with the Churchwide organization of the ELCA. This amount enables mission and ministry to happen beyond our borders (although some of these funds do indeed come back to us in terms of grants for new ministries and campus ministries.)

### **The Ministry Entrusted to the Synod. (\$41,000)**

Walking together does not always mean seeing exactly where the other person goes. Different interests and responsibilities exist even among those who walk together.

This area of the budget supports the work of Camp Tomah Shinga and Hollis Renewal Center. These ministries provide outdoor ministry space so our kids and congregations have places to go for retreat and to get in touch with God's creation. **(\$15,000)**

We will support advocacy agencies in both Kansas and Missouri as a part of working ecumenically to voice our concerns on matters importance to all the corners of the synod. **(\$5,000)**

Do you enjoy having a pastor or Parish Ministry Associate to lead you? That's due to the work of the Candidacy Committees or the PMA Team, who have shepherded those interested in the ministry along the way. **(\$9,000)**

To help share in our responsibilities we will continue a new effort to develop strong, innovative, and transformational leaders. **(\$10,000)**

Various ministries that help develop giving and the stewardship of resources through teams and committees such as Lutherans Restoring Creation, the Stewardship Team, and the Companion Synod Team. **(\$2,000)**

### **The Ministry of Oversight and Pastoral Care (\$681,209)**

When you walk together, you need someone to lean on from time to time.

The ministry of Oversight and Pastoral Care includes the salaries for Synod Staff, who work tirelessly crisscrossing two states to "be there" when called upon. They lend support and encouragement to congregations and to leaders, in all the "highs" and "lows" of life together. They sometimes take the brunt of anger and frustration as the powers and principalities of this present age cause friction in human community. These are leaders committed to "being there" in whatever the circumstances. **(\$485,709)**

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This area of the budget also supports the salaries of Campus Ministers, who greet new students at Campus ministry sites in both states. **(\$145,000)**

This budget area provides for help for your congregation in time of a call process, in both staff hours and support of call committees through process ministers. **(\$1,500)**

This budget area also includes travel expenses, communication, the annual Fall Theological gathering of leaders, and legal fees as needed to protect our journey together. **(\$49,000)**

### **The Ministry of ELCA Partnerships (\$68,825)**

A good walk sometimes calls for some specific guidance or expertise. No one goes off on a mountain hike without first investing in a good geographic contour map. It helps you plan the route, know about twists, turn and inclines, and can prepare you for the unexpected.

In the same way, our ELCA Partnership Ministries through Region IV, Bethany College, our Seminaries at Chicago and Dubuque, and our Planned Giving Partnerships help us anticipate and navigate through a changing landscape in the world. It's not a large portion of the budget, but it's an important one.

Region IV helps give us a "bird's eye" view of things changing and affecting a wider area of adjacent Synods, coordinating ministry. **(\$1,200)**

Planned Giving Services help individuals, congregations and institutions better use resources, investing them, advising, and helping people do estate planning that assures a future for the things we value. **(\$22,625)**

Our Seminaries and Bethany College help shape and train leaders for the church of tomorrow with an eye toward the heritage of the past. **(\$45,000)**

### **The Ministry of Place and Property (\$74,000)**

"Foxes have holes and birds of the air have nests, but the Son of Man has no place to rest his head...." Jesus says, but then Jesus didn't have to keep files to satisfy legal obligations and didn't have a photocopier. There are some necessary things about administering a synod, and part of that is having a place to gather for meetings, to "hang one's hat" when one is not out visiting congregations and leaders.

The Central States Synod offices are strategically located in Kansas City, right in the middle of any location across the two states. In 2019, we decided to share office space with the local diocese of the Episcopal Church. They have been great partners with us and the space we have fulfills the needs of the staff and provides for good meeting space, when needed, for various team and committees. You are encouraged to stop by and see your offices anytime. **(\$24,000)**

There are also the usual costs for running an office for any kind of an organization: a copier, paper, phone services, financial audits and computers. All of those things that the staff needs to conduct the "business" of the synod. **(\$50,000)**

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### **The Ministry of Leadership and Outreach (\$29,500)**

As we walk together, we need to support those that leads us by helping them communicate and providing them with the tools that they need. The same is true for enabling our congregations to reach outward to those in need of hearing the good news.

There are funds for Synod Council Meetings, Conference and Deans' gatherings, and a set aside for bishop transition, so that we anticipate the turnover of staff in election years. **(\$14,500)**

To enable more effective communications and evangelism, some of our Conferences and congregations need to improve the technology they use, especially as we struggle to deal with the effects of the pandemic. The synod will help by providing some of the funds needed to make these improvements. **(\$15,000)**

### **How are Synod ministries funded?**

Our mission relies primarily on congregations forwarding a portion of their regular offerings to our synod office as undesignated Mission Support (some call this "regular benevolence to synod"). When these offerings increase or decrease from year to year, the work of the church is strengthened or weakened and this impacts not only synodically, but nationally and globally. **(\$1,550,000)**

Individuals, families, and congregations may designate gifts for the Synod Assembly offering and in response to the Annual Appeals or other special project needs. **(\$10,700)**

We will once again use some of the surplus that we realized in 2020 to help support the work of the synod, if we don't receive the offerings or donations needed. **(\$63,634)**

In addition, the synod receives grants from the Churchwide organization for specific synod missions and reimbursements from a variety of agencies. **(\$50,000)**

**To support all of these ministries, as a synod we will spend a total of \$1,674,534 in 2022!**



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**Proposed Budget 2022 – Page 1**

			2022	2021		2020		
			FYE 1/31/2023	FYE 1/31/22		FYE 1/31/21		
			Proposed	Revised	Approved	Actual	Revised	Approved
		<b>SUPPORT AND REVENUE</b>						
1		Congregations	1,550,000.00	1,550,000.00	1,550,000.00	1,616,056.41	1,550,000.00	1,625,000.00
2		Annual Appeal	10,000.00	10,000.00	10,000.00	24,813.60	10,000.00	10,000.00
3		Shared Mission	700.00	700.00	1,000.00	1,159.59	1,000.00	21,000.00
4		Interest	200.00	200.00	151.00	1,180.37	151.00	151.00
5		Temp. Restricted Funds Released	<b>63,634.00</b>	<b>81,668.00</b>				0.00
6		Reimbursement/Other Income	50,000.00	<b>50,000.00</b>	60,892.00	49,560.61	60,800.00	50,800.00
		<b>Total Support &amp; Revenue</b>	<b>1,674,534.00</b>	<b>1,692,568.00</b>	<b>1,622,043.00</b>	<b>1,692,770.58</b>	<b>1,621,951.00</b>	<b>1,706,951.00</b>
		<b>EXPENDITURES</b>						
7		<b>ELCA CHURCHWIDE MINISTRY</b>	<b>780,000.00</b>	<b>780,000.00</b>	<b>780,000.00</b>	<b>808,028.21</b>	<b>780,000.00</b>	<b>817,500.00</b>
		<b>SYNOD MINISTRY</b>						
		<b>A. Agencies &amp; Institutions</b>						
8		Camp Tomah Shinga	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
9		Hollis Center-Outdoor Ministry	5,000.00	<b>5,000.00</b>	3,500.00	5,000.00	5,000.00	2,000.00
10		Kansas Interfaith Action Coalition	2,500.00	<b>2,500.00</b>				
11		Missouri Voices of Faith	2,500.00	<b>2,500.00</b>				
		<b>Total Agencies/Institutions</b>	<b>20,000.00</b>	<b>20,000.00</b>	<b>13,500.00</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>12,000.00</b>
		<b>B Teams and Task Forces</b>						
29		Candidacy	8,000.00	8,000.00	8,000.00	2,934.06	8,000.00	8,000.00
31		Parish Ministry Associates	1,000.00	1,000.00	1,000.00	445.74	1,000.00	1,000.00
34		Faith Innovations	<b>0.00</b>	<b>10,000.00</b>				
35		Leadership Training	10,000.00	<b>10,000.00</b>				
39		Teams & TF Expenses (Shared)	2,000.00	2,000.00	2,000.00	1,000.00	2,000.00	2,000.00
		<b>Total Teams and Task Forces</b>	<b>21,000.00</b>	<b>31,000.00</b>	<b>11,000.00</b>	<b>4,379.80</b>	<b>11,000.00</b>	<b>11,000.00</b>
		<b>C. Oversight &amp; Pastoral Care</b>						
41		Synod Salaries & Benefits	<b>485,709.00</b>	<b>478,743.00</b>	490,718.00	423,565.52	464,040.00	524,626.00
42		Campus Ministry Salaries & Ben	145,000.00	<b>145,000.00</b>	130,000.00	126,203.35	145,000.00	145,000.00
43		Fall Theological Conference	4,000.00	4,000.00	4,000.00	2,000.00	4,000.00	4,000.00
48		Travel (Synod Staff)	45,000.00	45,000.00	45,000.00	22,246.68	45,000.00	45,000.00
55		Call Process Ministries	1,500.00	1,500.00	1,500.00	168.00	1,500.00	1,500.00
59		Legal Fees (Discipline)	0.00	0.00	0.00	0.00	0.00	0.00
		<b>Total Oversight/Pastoral Care</b>	<b>681,209.00</b>	<b>674,243.00</b>	<b>671,218.00</b>	<b>574,183.55</b>	<b>659,540.00</b>	<b>720,126.00</b>
		<b>D. ELCA Partnerships</b>						
61		Region IV	1,200.00	1,200.00	1,200.00	1,100.00	1,200.00	1,200.00
62		Bethany College	15,000.00	<b>15,000.00</b>	10,000.00	15,000.00	10,000.00	10,000.00
63		Seminaries (LSTC & Wartburg)	30,000.00	<b>30,000.00</b>	20,000.00	30,000.00	20,000.00	20,000.00
64		Planned Giving Partnership	22,625.00	22,625.00	22,625.00	22,625.00	22,625.00	22,625.00
		<b>Total ELCA Partnerships</b>	<b>68,825.00</b>	<b>68,825.00</b>	<b>53,825.00</b>	<b>68,725.00</b>	<b>53,825.00</b>	<b>53,825.00</b>

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**Proposed Budget 2022 – Page 2**

				2022	2021		2020		
				FYE 1/31/23	FYE 1/31/22		FYE 1/31/21		
				Proposed	Revised	Approved	Actual	Revised	Approved
		<b>E.</b>	<b>Office</b>						
65			Rent & Occupancy	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00
67			Depreciation	4,000.00	4,000.00	4,000.00	2,037.17	4,000.00	4,000.00
68			Operations - Total	46,000.00	46,000.00	46,000.00	42,354.62	46,000.00	46,000.00
			<b>Total Office</b>	<b>74,000.00</b>	<b>74,000.00</b>	<b>74,000.00</b>	<b>68,391.79</b>	<b>74,000.00</b>	<b>74,000.00</b>
		<b>F.</b>	<b>Synod Council</b>						
70			Meetings	3,500.00	3,500.00	3,500.00	105.60	3,500.00	3,500.00
			<b>Total Synod Council</b>	<b>3,500.00</b>	<b>3,500.00</b>	<b>3,500.00</b>	<b>105.60</b>	<b>3,500.00</b>	<b>3,500.00</b>
		<b>G.</b>	<b>Conferences Support</b>						
71			Dean's Meetings	1,000.00	<b>1,000.00</b>	5,000.00	475.06	5,000.00	5,000.00
72			Tech Enhancements & Communications	<b>5,000.00</b>	<b>10,000.00</b>				
73			Enhanced Outreach & Evangelism	<b>10,000.00</b>	<b>20,000.00</b>				
			<b>Total Conferences Support</b>	<b>16,000.00</b>	<b>31,000.00</b>	<b>5,000.00</b>	<b>475.06</b>	<b>5,000.00</b>	<b>5,000.00</b>
77		<b>H.</b>	<b>Contingency</b>	0.00	0.00	0.00	0.00	10,086.00	0.00
78		<b>I.</b>	<b>Bishop Transition Set Aside</b>	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
			<b>TOTAL SYNOD MINISTRY</b>	<b>894,534.00</b>	<b>912,568.00</b>	<b>842,043.00</b>	<b>741,260.80</b>	<b>841,951.00</b>	<b>889,451.00</b>
			<b>TOTAL EXPENDITURES</b>	<b>1,674,534.00</b>	<b>1,692,568.00</b>	<b>1,622,043.00</b>	<b>1,549,289.01</b>	<b>1,621,951.00</b>	<b>1,706,951.00</b>
			<b>NET REVENUE OVER OR (UNDER) EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>143,481.57</b>	<b>0.00</b>	<b>0.00</b>

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**Central States Synod of the Evangelical Lutheran Church in America****Data Provided for Informational Purposes Only to Detail the Budget Line Item for Fiscal Year Ending 1/31/2022****Synod Salaries & Benefits detail for the year ending 1/31/22**

Description	Bishop	Clergy Staff	Non-Clergy Staff	Total Compensation
Base Salary	88,819.00	104,150.00	208,428.32	401,397.32
Employer's Social Security (1)	0.00	0.00	12,915.69	12,915.69
Pension (2)	12,434.66	10,903.81	16,404.84	39,743.31
Basic Medical	15,252.00	30,275.00	45,408.26	90,935.26
Plan Administration & Disability	1,954.02	1,730.30	3,609.06	7,293.38
Continuing Education	1,000.00	2,000.00	0.00	3,000.00
LDR Grant for Deployed Staff	0.00	0.00	(96,541.95)	(96,541.95)
Anticipated Portico Increases for January 2022	4,072.00	10,266.00	5,662.00	20,000.00
Total Compensation Prior to Reimbursements	123,531.68	159,325.11	195,886.22	478,743.01

## Notes and Comments:

- (1) Employer's Social Security paid totally by clergy.
- (2) Pension rates for clergy are at the maximum contribution rates of 12%. The Bishop receives an additional 2% for a total of 14%. Others are at 10%. Medical comparison was used get the above amounts. plan costs are vary depending on the employee's age and if their spouse and/or children are covered. The 2021 Portico custom

- (3) Number of FTE (full-time equivalents)

Bishop	1.00
Clergy Staff	1.25
Non-clergy Staff	<u>3.75</u>
Total	<u>6.00</u>

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Data Provided for Informational Purposes Only to Detail the Budget Line Item for Fiscal Year Ending 1/31/2022

#### Campus Ministry Salaries & Benefits detail for the year ending 1/31/2022

Description	Campus Ministry Staff
Base Salary	174,397.99
Employer's Social Security (1)	2,013.17
Pension (2)	17,769.84
Basic Medical	47,128.92
Plan Administration & Disability	3,257.80
Continuing Education	3,100.00
Total Compensation Prior to Reimbursements	247,667.72

#### Notes and Comments:

(1) Employer's Social Security paid totally by clergy.

(2) Pension rates for clergy are at the maximum contribution rates of 12%.

Medical plan costs are vary depending on the employee's age and if their spouse and/or children are covered. The 2021 Portico custom comparison was used get the above amounts.

(3) Number of FTE (full-time equivalents)

Clergy Staff

3.00

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Description	Bishop	Clergy Staff	Non-Clergy Staff	Total Compensation
Base Salary	89,357.00	105,465.00	187,107.33	381,929.33
Employer's Social Security (1)	0.00	0.00	11,224.04	11,224.04
Pension (2)	12,509.98	10,969.81	14,198.20	37,677.99
Basic Medical	15,492.00	30,959.00	36,927.77	83,378.77
Plan Administration & Disability	1,965.85	1,742.40	3,123.61	6,831.86
Continuing Education	1,000.00	2,000.00	0.00	3,000.00
LDR Grant for Deployed Staff	0.00	0.00	(58,332.63)	(58,332.63)
Anticipated Portico Increases for January 2023	4,072.00	10,266.00	5,662.00	20,000.00
Total Compensation Prior to Reimbursements	124,396.83	161,402.21	199,910.32	485,709.36

**Notes and Comments:**

- (1) Employer's Social Security paid totally by clergy.
- (2) Pension rates for clergy are at the maximum contribution rates of 12%. The Bishop receives an additional 2% for a total of 14%. Others are at 10%. Medical plan costs are vary depending on the employee's age and if their spouse and/or children are covered. The 2021 Portico custom comparison was used with their current age plus 1 year to get the above amounts.
- (3) Number of FTE (full-time equivalents)

Bishop	1.00
Clergy Staff	1.25
Non-clergy Staff	<u>3.75</u>
Total	<u>6.00</u>

## Central States Synod 2021 Synod Assembly

Virtual Assembly via Zoom • June 4-5

### Central States Synod of the Evangelical Lutheran Church in America

Data Provided for Informational Purposes Only to Detail the Budget Line Item for Fiscal Year Ending 1/31/2023

#### Campus Ministry Salaries & Benefits detail for the year ending 1/31/2023

Description	Campus Ministry Staff
Base Salary	183,890.64
Employer's Social Security (1)	2,013.17
Pension (2)	18,908.95
Basic Medical	47,448.00
Plan Administration & Disability	3,466.64
Continuing Education	3,100.00
Total Compensation Prior to Reimbursements	258,827.40

#### Notes and Comments:

- (1) Employer's Social Security paid totally by clergy.
- (2) Pension rates for clergy are at the maximum contribution rates of 12%.  
Medical plan costs are vary depending on the employee's age and if their spouse and/or children are covered. The 2021 Portico custom comparison was used with their current age plus 1 year to get the above amounts.
- (3) Number of FTE (full-time equivalents)  
Clergy Staff 3.00

## Central States Synod 2021 Synod Assembly

Virtual Assembly via Zoom • June 4-5

### Congregational Giving FYE 1/31/2021

This report does not reflect any congregational gifts to local ministries that do not pass through the Central States Synod.

Name	City	State	Intent for 2020	Mission Support Total	Total Benevolence
<b>BORDER CONFERENCE</b>					
Advent Lutheran Church	Olathe	KS	67,650.00	63,409.00	65,031.72
All Saints Lutheran Church	Blue Springs	MO	7,200.00	1,400.00	1,550.00
Atonement Lutheran Church	Overland Park	KS	57,000.00	55,093.00	58,188.45
Blue Ridge Trinity Lutheran Church	Raytown	MO	5,100.00	4,250.00	4,395.00
First Lutheran Church	St. Joseph	MO	3,000.00	3,000.00	3,700.00
First Lutheran Church	Shawnee Mission	KS	10,000.00	10,000.00	10,000.00
First Lutheran Church	Topeka	KS	41,205.00	34,683.82	38,133.55
Gathering Table, The; SAWC	Kansas City	MO	-	-	-
Gloria Dei Ev. Lutheran Church	Kansas City	MO	24,211.00	24,000.00	24,000.00
Good Shepherd Lutheran Church	Lawrence	KS	7,000.00	4,000.00	4,000.00
Grace Ev. Lutheran Church	Osage City	KS	-	4,020.00	4,220.00
Hillside Community, Lutheran Church	Spring Hill	KS	2,000.00	2,000.00	2,000.00
Holy Cross Lutheran Church	Overland Park	KS	81,000.00	80,500.00	80,500.00
Hope Local Worshipping Community	Shawnee	KS	-	-	-
Hosanna! Lutheran Church	Liberty	MO	4,000.00	4,000.00	4,000.00
Immanuel Lutheran Church	Kansas City	MO	44,840.00	30,000.00	30,000.00
Immanuel Oromo Christian Church	Kansas City	MO	1,000.00	100.00	100.00
Kaw Prairie Community Lutheran Church	Lenexa	KS	-	-	-
Lord of Love Lutheran Church	Belton	MO	2,400.00	2,400.00	2,400.00
Martin Luther Lutheran Church	Lee's Summit	MO	6,000.00	6,500.00	6,500.00
Our Savior's Lutheran Church	Topeka	KS	21,785.00	21,984.01	21,984.01
Overland Park Lutheran Church	Overland Park	KS	2,000.00	1,537.49	2,403.13
Resurrection; Lutheran Church of the	Prairie Village	KS	19,800.00	18,000.00	18,000.00
Salem Lutheran Church	Lenexa	KS	-	17,686.00	17,686.00
South Sudanese Congregation	St. Joseph	MO	-	-	-
St. James Lutheran Church	Kansas City	MO	8,400.00	8,900.00	8,900.00
St. John's Ev. Lutheran Church	Lancaster	KS	7,400.00	8,025.03	8,410.03
St. John's Lutheran Church	Bendena	KS	2,500.00	4,082.00	5,149.00
St. Mark Hope & Peace Lutheran Church	Kansas City	MO	2,400.00	2,600.00	2,750.00
St. Mark's Lutheran Church	Atchison	KS	400.00	595.79	595.79
St. Mark's Lutheran Church	Emporia	KS	-	15,006.00	15,006.00
St. Mark's Lutheran Church	Olathe	KS	12,500.00	25,240.00	25,240.00
St. Martin Lutheran Church	Kansas City	KS	-	2,000.00	2,000.00
St. Paul's Lutheran Church	Valley Falls	KS	2,000.00	1,925.00	1,925.00
The Table	Olathe	KS	-	-	-
Trinity Lutheran Church	Lawrence	KS	19,306.00	16,769.37	19,576.37
Trinity Lutheran Church	Topeka	KS	6,000.00	8,775.00	8,775.00
Upper Wolf Lutheran Church	Robinson	KS	2,640.00	1,640.00	2,940.00

# Central States Synod 2021 Synod Assembly

Virtual Assembly via Zoom • June 4-5

Name	City	State	Intent for 2020	Mission Support	Total Benevolence
<b>CENTRAL KANSAS CONFERENCE</b>					
Ada Lutheran Church	Courtland	KS	-	3,000.00	4,650.00
Amana Lutheran Church	Scandia	KS	-	-	-
American Lutheran Church	Belleville	KS	5,100.00	5,100.00	5,100.00
Andover Lutheran Church	Windom	KS	6,000.00	6,000.00	6,050.00
Assaria Lutheran Church	Assaria	KS	12,000.00	12,000.00	12,000.00
Bethany Ev. Lutheran Church	Lindsborg	KS	24,000.00	24,000.00	39,923.88
Christ Lutheran Church	Eureka	KS	-	300.00	400.00
Christ Lutheran Church	Wichita	KS	16,000.00	17,060.59	17,260.59
Concordia Lutheran Church	Concordia	KS	7,200.00	14,811.69	15,006.54
Cross of Glory Lutheran Church	Derby	KS	3,600.00	3,520.00	3,520.00
Elim Lutheran Church	Marquette	KS	-	5,000.00	5,000.00
Emanuel Lutheran Church	Hutchinson	KS	30,000.00	30,333.33	30,933.33
Faith Ev. Lutheran Church	Junction City	KS	3,840.00	3,840.00	3,840.00
Falun Lutheran Church	Falun	KS	-	3,500.00	3,500.00
First Lutheran Church	Manhattan	KS	46,177.00	49,342.03	52,998.04
Gloria Dei Lutheran Church	Wichita	KS	17,179.00	18,104.83	18,104.83
Good Shepherd Ev. Lutheran Church	Washington	KS	-	2,400.00	2,400.00
Hebron Lutheran Church	Burdick	KS	3,000.00	3,000.00	3,000.00
Immanuel Lutheran Church	Salina	KS	3,000.00	3,000.00	3,000.00
Marion Hill Lutheran Church	White City	KS	-	2,400.00	2,400.00
Messiah Ev. Lutheran Church	Lindsborg	KS	-	4,752.83	7,498.83
New Gottland Lutheran Church	McPherson	KS	6,900.00	6,900.00	6,900.00
New Hope Lutheran Church	Onaga	KS	1,500.00	1,500.00	1,950.00
Olsburg Lutheran Church	Olsburg	KS	-	6,160.55	6,160.55
Partners Mision San Juan de Dios Ministr	Wichita	KS	-	-	-
Peace Ev. Lutheran Church	Manhattan	KS	5,000.00	6,000.00	6,000.00
Peace Lutheran Church (New Cambria)	Salina	KS	-	100.00	100.00
Redeemer Lutheran Church	Salina	KS	-	12,375.00	12,375.00
Reformation Lutheran Church	Wichita	KS	40,050.00	40,050.00	40,211.60
Resurrection Lutheran Church	Haysville	KS	3,300.00	3,850.00	12,238.08
Salemsborg Lutheran Church	Smolan	KS	-	1,260.00	12,600.00
St. John Lutheran Church (Lanham)	Hanover	KS	3,000.00	3,000.00	3,000.00
St. John's Ev. Lutheran Church	Wellington	KS	-	-	-
St. John's Lutheran Church	Salina	KS	21,000.00	21,000.00	25,081.55
St. Mark's Lutheran Church	Waterville	KS	5,000.00	5,000.00	6,070.00
St. Paul Lutheran Church	Herington	KS	15,330.00	14,125.04	14,600.55
St. Paul's Lutheran Church	Peabody	KS	1,200.00	1,200.00	1,299.16
St. Paul's Lutheran Church	Wichita	KS	-	2,925.00	3,925.00
St. Paul's Lutheran Church	Glasco	KS	-	6,000.00	6,000.00
St. Paul's Lutheran Church	Tescott	KS	1,200.00	1,046.00	1,046.00
Trinity Lutheran Church	Greenleaf	KS	-	300.00	300.00
Trinity Lutheran Church	McPherson	KS	39,000.00	34,100.00	38,420.00
Walsburg Ev. Lutheran Church	Leonardville	KS	3,000.00	3,420.00	3,741.32
Zion Lutheran Church	Hollenberg	KS	400.00	450.00	950.00
Zion Lutheran Church	Hutchinson	KS	-	-	-
Zion Lutheran Church	Beloit	KS	9,600.00	9,600.00	9,600.00
Zion Lutheran Church (Hanover, KS)	Hanover	KS	-	4,000.00	4,000.00



# Central States Synod 2021 Synod Assembly

Virtual Assembly via Zoom • June 4-5

Name	City	State	Intent for 2020	Mission Support Total	Total Benevolence
<b>EASTERN MISSOURI CONFERENCE</b>					
Atonement; Lutheran Church of the	Florissant	MO	4,000.00	10,535.12	12,984.02
Bethany Ev. Lutheran Church	Webster Groves	MO	-	-	-
Bethel Lutheran Church (Univ. City)	St. Louis	MO	27,500.00	27,500.00	27,500.00
Christ Ev. Lutheran Church	Webster Groves	MO	28,000.00	28,000.00	28,000.00
Family of Christ Lutheran Church	Imperial	MO	1,000.00	600.00	900.00
Gethsemane Lutheran Church	St. Louis	MO	22,260.00	24,090.00	24,090.00
Good Shepherd Lutheran Church	Manchester	MO	71,000.00	71,700.00	71,700.00
Good Shepherd; Lutheran Church of the	Hazelwood	MO	18,500.00	8,691.00	8,691.00
Holy Cross Lutheran Church	Creve Coeur	MO	19,000.00	19,100.00	20,800.00
Holy Trinity Lutheran Church	St. Louis	MO	2,400.00	1,200.00	2,400.00
Hope Lutheran Church	St. Charles	MO	12,651.00	14,550.68	14,550.68
Living Christ; Lutheran Church of the	Florissant	MO	1,900.00	11,240.00	12,440.00
Living Lord Lutheran Church	Lake Saint Louis	MO	24,000.00	24,000.00	24,000.00
Peace Lutheran Church	Washington	MO	10,750.00	10,750.08	11,000.08
Peace Lutheran Church	Sullivan	MO	-	4,200.00	4,200.00
Redeemer Lutheran Church	Desoto	MO	6,308.00	6,223.32	6,878.32
Resurrection Lutheran Church	St. Louis	MO	-	-	-
Sargents Chapel Lutheran Church	Sedgewickville	MO	6,000.00	6,000.00	7,000.00
Sedgewickville Lutheran Church	Sedgewickville	MO	400.00	400.00	400.00
Shepherd of the Hills Lutheran Church	St. Ann	MO	1,525.00	2,182.00	2,182.00
St. Andrew Lutheran Church	Poplar Bluff	MO	-	500.00	500.00
St. Mark Lutheran Church	Cape Girardeau	MO	500.00	-	-
St. Mark's Ev. Lutheran Church	Clayton	MO	-	13,500.00	13,505.00
St. Philip's Lutheran Church	St. Louis	MO	-	500.00	500.00
St. Thomas / Holy Spirit Lutheran Church	St. Louis	MO	10,400.00	9,999.98	11,899.98
The Bridge Market and Faith Community	St. Charles	MO	600.00	-	42.80
Trinity Ev. Lutheran Church	Kirkwood	MO	16,500.00	14,000.04	15,500.04
Trinity Lutheran Church	Chesterfield	MO	64,000.00	29,100.00	30,672.00
Unity Lutheran Church	Bel-Nor	MO	11,712.00	11,712.00	14,712.00
Zion Lutheran Church	Ferguson	MO	9,392.00	9,486.00	10,336.00

## Central States Synod 2021 Synod Assembly

Virtual Assembly via Zoom • June 4-5

Name	City	State	Intent for 2020	Mission Support Total	Total Benevolence
<b>Osage Conference</b>					
Christ and Trinity Lutheran Church	Sedalia	MO	3,000.00	2,852.75	4,392.71
Community Lutheran Church	Eagle Rock	MO	500.00	500.00	500.00
Friends Home Lutheran Church	Savonburg	KS	7,800.00	7,800.00	9,997.07
Hope Lutheran Church	Rolla	MO	4,500.00	2,961.46	2,961.46
Immanuel Lutheran Church; Brauersville	Cole Camp	MO	1,400.00	1,400.00	9,312.00
Kent Memorial Lutheran Church	Sunrise Beach	MO	29,462.00	21,358.00	22,280.00
Messiah Lutheran Church	Springfield	MO	-	33,821.00	36,536.00
Our Savior Lutheran Church	Salem	MO	600.00	750.00	750.00
Our Savior's Lutheran Church	Camdenton	MO	6,832.00	6,211.04	6,441.04
Our Savior's Lutheran Church	Jefferson City	MO	9,900.00	10,775.00	10,775.00
Peace Lutheran Church	Hollister	MO	-	-	-
Peace Lutheran Church	Joplin	MO	3,602.00	3,685.00	3,685.00
Peace Lutheran Church	Salisbury	MO	1,800.00	1,800.00	1,800.00
Prince of Peace Lutheran Church	Springfield	MO	20,700.00	13,962.35	16,806.35
Pyrmont Trinity Lutheran Church (Mora)	Stover	MO	-	800.00	800.00
St. Andrew's Lutheran Church	Columbia	MO	66,000.00	66,000.00	66,000.00
St. John's Lutheran Church	Pittsburg	KS	6,000.00	6,500.00	6,500.00
St. Matthew Lutheran Church	Butler	MO	3,700.00	3,712.08	3,814.63
St. Paul Lutheran Church	Nevada	MO	7,833.00	8,054.42	8,054.42
St. Paul Lutheran Church	West Plains	MO	520.00	1,140.00	1,710.00
St. Paul's Ev. Lutheran Church	Cole Camp	MO	7,400.00	7,421.92	12,930.50
St. Paul's Ev. Lutheran Church	Lohman	MO	15,096.00	15,116.00	16,031.50
Trinity Ev. Lutheran Church	Russellville	MO	-	5,000.00	6,354.50
United Ev. Lutheran Church	Cole Camp	MO	1,350.00	1,350.00	1,350.00

## Central States Synod 2021 Synod Assembly

Virtual Assembly via Zoom • June 4-5

Name	City	State	Intent for 2020	Mission Support Total	Total Benevolence
<b>WESTERN KANSAS CONFERENCE</b>					
American Lutheran Church	Smith Center	KS	-	6,000.00	6,000.00
Bethesda Lutheran Church	Winona	KS	1,500.00	1,500.00	1,500.00
Bethlehem Lutheran Church	WaKeeney	KS	6,000.00	4,500.00	5,256.00
Denmark Ev. Lutheran Ch. (Sylvan Grove)	Lincoln	KS	300.00	300.00	300.00
Emanuel Lutheran Church (Ogallah)	Ellis	KS	-	-	-
Emmanuel Ev. Lutheran Church	Stuttgart	KS	6,720.00	7,356.93	7,356.93
Emmanuel Lutheran Church	Hoisington	KS	650.00	650.00	650.00
Excelsior Lutheran Church	Wilson	KS	1,000.00	1,000.00	1,000.00
Faith Lutheran Church	Oberlin	KS	2,100.00	2,100.00	2,100.00
First Lutheran Church	Dorrance	KS	4,082.20	3,829.00	4,767.00
Garfield Lutheran Church	Garfield	KS	-	-	-
Gloria Dei Lutheran Church	Lucas	KS	7,700.00	3,100.00	3,100.00
Hope Lutheran Church	Rush Center	KS	2,500.00	2,500.00	2,500.00
Immanuel Lutheran Church	WaKeeney	KS	1,500.00	1,500.00	1,500.00
Immanuel Lutheran Church	Wilson	KS	7,000.00	5,131.47	5,131.47
Our Redeemer Lutheran Church	Ness City	KS	600.00	-	-
Our Saviors Lutheran Church	Brewster	KS	-	3,000.00	3,000.00
Peace Lutheran Church	Albert	KS	3,000.00	3,000.00	3,000.00
Sagrado Corazon de Jesus, Iglesia Lutera	Garden City	KS	1,200.00	900.00	900.00
Salem Lutheran Church	St. Francis	KS	-	-	1,000.00
Sharon Lutheran Church	Sharon Springs	KS	2,000.00	2,000.00	2,425.00
St. James Lutheran Church	Garden City	KS	1,200.00	1,200.00	1,200.00
St. John Lutheran Church	Russell	KS	18,000.00	19,500.00	20,235.00
St. John Lutheran Church	Bird City	KS	-	-	100.00
St. John Lutheran Church	Kensington	KS	-	8,100.00	8,250.00
St. John's Lutheran Church	Ellis	KS	600.00	600.00	717.98
St. Mark Lutheran Church	Great Bend	KS	2,400.00	2,400.00	2,400.00
St. Paul Lutheran Church	Galatia	KS	1,200.00	616.00	1,246.00
Trinity Lutheran Church	Hays	KS	5,000.00	4,583.33	4,583.33
Trinity Lutheran Church	Otis	KS	-	5,000.00	11,750.00
Trinity Lutheran Church	Great Bend	KS	36,500.00	36,000.00	44,275.00
Zion Ev. Lutheran Church	Phillipsburg	KS	7,200.00	7,200.00	7,200.00
Zion Lutheran Church	WaKeeney	KS	3,300.00	3,510.27	3,510.27

**Central States Synod 2021 Synod Assembly**  
Virtual Assembly via Zoom • June 4-5

**EVANGELICAL LUTHERAN CHURCH IN AMERICA  
CENTRAL STATES SYNOD  
COMPENSATION GUIDELINES 2022**

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Compensation & Benefits for Rostered Ministers  
Pastors and Deacons

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*Compensation Guidelines Task Force:*

*Pr. Mari Larson, Wichita, KS - Chairperson  
Dede Patterson, Herington, KS  
Pr. Chris Deines, Lindsborg, KS  
Pr. Mike Kerns, Liberty, MO  
Dennis Kemper, Bel-Nor, MO*

*SYNOD STAFF:*

*The Rev. Dave Whetter, Bishop's Associate*

+

Guidelines for 2022

Presented for Approval by the Central States Synod Assembly, June 4-5, 2021

**Central States Synod 2021 Synod Assembly**  
Virtual Assembly via Zoom • June 4-5

*Dear Ministry Partners,*

***Determining appropriate compensation is difficult!*** That is the first sentence in the *Compensation Guidelines for Rostered Ministers of the Central States Synod*. That assessment is true. But I would like to add that determining appropriate compensation is very **important** not only for the well-being of the rostered minister but also for the health and ministry of the congregation and ministry setting.

Because this is a difficult but important task, it needs to be done in conversation that is open, honest, direct, grace filled and respectful. In order to facilitate that conversation, you will notice some significant changes to the guidelines. There is no longer a chart at the back of the guidelines that just has years of experiences and numbers plugged in with a range from low to high. There is now a worksheet that **requires** councils or leadership boards to figure out a fair compensation package by looking at the different circumstances and situations of their rostered minister as well as their own context. I cannot emphasize enough how important it is to have this conversation, recognizing the needs, experience, abilities of the rostered minister as well as the setting in which they are serving.

In addition to having the conversation about the compensation in terms of salary and benefits, it is also important to have the conversation about expectations, goals, and priorities. Every year each rostered minister should have a **performance review**, not simply to reflect on how things have been going in the partnership between the rostered ministry and congregation, but also to be clear about goals and expectations for the coming year. My experience is that a lack of clarity around expectations can often lead to conflict.

This will also be a change for many congregations and rostered ministers. At the synod office, we have resources that can help you. It is important that these reviews are done on a yearly basis. I believe this will lead to healthier relationships and stronger ministry. That is why we do this work. Our relationships are important and we are called to do ministry in partnership with one another.

Thank you for taking the time to carefully read through the new guidelines. I understand that changes can be challenging and appreciate your willingness to work together for the sake of the ministry of the whole church.



*The Rev. Susan Candea, Bishop*  
*Central States Synod*  
*Evangelical Lutheran Church in America*

## **Central States Synod Compensation Guidelines Proposal for 2022**

### **SECTION 1: COMPENSATION**

#### **A. APPROPRIATE COMPENSATION**

Determining appropriate compensation is difficult! Rostered ministers (pastors and deacons) are not always paid what they should be paid. By virtue of their educational requirements and congregational/ministry site expectations, rostered ministers are professionals. They bring to their congregations or ministry sites many gifts, and should be compensated according to their education, ability, and responsibility, and in line with the incomes of professionals in comparable positions. Some synods define this as high school principals; others compare it with clergy of other denominations. Based on their compensation, rostered ministers should be able to provide for their own economic needs as well as those of their spouse and/or children.

The Central States Synod cannot provide specific tax or legal advice to rostered ministers, congregations or specialized ministries. If you have questions about tax matters or legal issues, contact a qualified tax adviser or attorney. Information provided by the IRS specifically for churches and religious organizations can be found at: <http://www.irs.gov/pub/irs-pdf/p1828.pdf>

Just as the rostered minister ought to be paid a livable wage, compensation should not exceed the community's ability to give according to their own needs. The contributions of individuals and families in a congregation come from their own hard work, labor and time spent away from loved ones. All in the congregation need to find the appropriate balance in compensating rostered ministers and church professionals. Mission, ministry and expectations must be clearly articulated if rostered ministers are to be held accountable for their service. A Congregation Council or specialized ministry governing board is expected to annually review the joint ministry expectations of the congregation or ministry and its professional ministers. Constructive adjustments in expectations and/or direction can be made at this time. For the financial health of the community, compensation packages ought to be annually reviewed as well. Realistic expectations and adequate compensation are critical to the future wellbeing of the whole community.

Everyone must remember that the process for determining compensation must be open, honest and gracious conversation. Both professional ministers and ministry representatives, (whether the Congregation Council, a staff support committee, or personnel committee), should articulate their expectations clearly and develop a regular ministry evaluation process to note changes as program directions shift or as the rostered minister's skills or needs change. Honest assessment leads to healthy ministry. Not even carefully crafted guidelines can give congregations or specialized ministries automatic, concise and simple answers to what are inherently complex issues. Following the criteria set forth in the Rostered Minister Recommended Salary Worksheet will be helpful in ministry assessment and compensation discussions.

While the focus of these guidelines applies only to rostered ministers, the principles apply to other church workers. Youth directors, secretaries, custodians, choir directors, organists, teachers and others also deserve fair compensation, and the responsibility of the congregation to these persons is no less than to the rostered minister.

*IMPORTANT NOTE: Housing and Social Security allowances (Sections 2,3, and 4 below) are provided for pastors only. All other recommended guidelines in this document apply to all rostered ministers (pastors and deacons).*

## Central States Synod 2021 Synod Assembly

### Virtual Assembly via Zoom • June 4-5

If current compensation is below a level agreed to be fair, moving to a level of adequate compensation may involve patience on the part of rostered ministers as a ministry works to achieve that goal. It will also involve a ministry's determined effort in stewardship and education to reach that level. For example, if the compensation is 10% below the guideline, the ministry might make the commitment to increase the rostered minister's salary by 6% - 8% per year for three years to reach the appropriate compensation guideline three years hence. Finally, adequate and fair compensation encourages good morale on the part of professional ministers and the congregation or specialized ministry as they work together to do ministry and mission in the name and spirit of Jesus Christ. See Section 4. Part A. for a list of non-cash compensation options.

If the congregation or specialized ministry is already ABOVE the appropriate compensation guideline, a cost of living increase equivalent to the CPI-W for the West Urban United States should be considered ([www.bls.gov/news.release/cpi.t06.htm](http://www.bls.gov/news.release/cpi.t06.htm)), since the failure to provide a cost of living salary increase is, in effect, a salary cut. In addition, merit increases should be considered for all rostered ministers.

#### **B. HOUSING ALLOWANCE FOR PASTORS**

Pastors called to congregational or specialized ministries may designate a portion of their compensation as a "housing allowance." This is a significant tax advantage giving pastors the ability to exclude from federally taxable income that part of compensation that is used to provide a home (Internal Revenue Code section 107). Please remember that this designation does not change the total defined compensation paid to a pastor. This is also not an exclusion for income used in determining Social Security or SECA tax obligations.

Portico Benefit Services provides helpful information on housing allowance. Please contact them for more information.

Congregations that pay their pastors a housing allowance must approve a resolution prior to the beginning of each calendar year. Both pastor and congregation should keep a copy for their files. The original should be in the records of the congregation. See page two of the worksheet for a sample resolution.

The following kinds of expenses can be used when calculating the housing allowance.

- Mortgage or rent payments
- Real estate taxes
- Property Insurance
- Down Payment on a home
- Utilities
- Furnishings & Appliances (purchase & repair)
- Remodeling & repairs
- Yard maintenance & improvements

Only the lowest of the following can be used when the pastor files their federal income tax return:

- The fair rental value of the home (including all expenses listed above)
- The amount actually spent to provide a home
- The amount officially designated as the housing allowance

The housing allowance amount is always excluded from federal income. This means that the congregation or specialized ministry excludes this amount from Box 1 of the W-2. The amount will, however, be entered in Box 14 of the W-2, which is merely an information item. A pastor should always check with her or his own tax advisor for personal questions or concerns about the housing allowance or other tax issues.

#### **C. MINISTRY-PROVIDED HOUSING (PARSONAGES)**

Where a congregation provides a parsonage, the congregation should assume all costs for maintenance and utilities. The congregation may pay these costs directly or give an allowance to the pastor sufficient to cover the expenses. In addition to these costs, the congregation should provide and maintain major appliances in the parsonage. While living in a parsonage has many advantages, it does not build home equity for

retirement. If a parsonage is provided, the congregation is encouraged to provide the pastor a Housing Equity Allowance. It is helpful for the congregation to pay directly to a tax deferred plan which delays the income tax due until the funds are actually withdrawn for use; this can be done by making additional employer contributions with Portico Benefit Services. It is recommended that these contributions total at least 3% of the defined compensation (Salary & Cash Value of Parsonage). When housing is provided for a pastor couple, a 30% housing allowance for *each* spouse must be included when calculating defined compensation for Portico Benefit Services.

#### **D. SOCIAL SECURITY ALLOWANCE for PASTORS**

While most pastors are employees for federal income tax reporting purposes, they all are self-employed for social security purposes. This means that pastors are not subject to "FICA" taxes, even though they report their income taxes as employees and receive a W-2 from their church. Rather, they pay the "self-employment tax" (SECA – Self-Employed Contributions Act) of 15.30% of their salary and housing allowance. Since congregations are required to pay 7.65% of a lay employee's salary for social security benefits, it is fair and recommended to pay this amount as a Social Security allowance to the pastor. Many congregations provide an allowance for all or part of this expense. This allowance, if provided, is part of the taxable income for the pastor. Deacons and lay ministers are considered to be employees of the congregation and congregations are required to pay Social Security taxes and file federal tax W-2 or 1099 forms, as appropriate.

## **SECTION 2: BENEFITS**

### **A. ELCA BENEFITS PLAN (PORTICO)**

The congregation shall budget for and participate in the ELCA Retirement, Medical, Disability, and Life Insurance benefits (Portico). Medical insurance shall be provided for the rostered minister and their family, unless their spouse has separate medical insurance that covers the family and the rostered minister waives the coverage. Rates are based on geographic location and rate class, defined compensation, plan member age, health benefit option, and household coverage level. To determine the amount to be contributed go to [Employerlink.PorticoBenefits.org](http://Employerlink.PorticoBenefits.org) and use the calculator tools provided on the website and see the four health plan options.

**Each year in the fall, all employers (congregations) and plan members must go through open enrollment on the Portico website to choose the health plan they are going to provide and participate in. The health plan chosen cannot be changed during the next year, even if there is a transition in the call. For consistency across the synod, we recommend congregations in conversations with their rostered ministers offer the best possible health care plan. We recognize the importance of having healthy leaders.**

The synod recommends a minimum 12% retirement contribution, regardless of the age of the rostered minister. Retirement contributions can be modified during the year. Congregations in consultation with their rostered ministers have the option of reallocating 2% of the recommended retirement contribution to help those rostered ministers reduce their student loan principal. Other options also include extra contributions to their continuing education and professional expenses.

Portico Benefit Services, the nonprofit benefit ministry of the ELCA, provides the benefit program for rostered ministers, lay employees, and their families. Portico provides health, dental, prescription drug, retirement, disability, and group life insurance benefits in one bundled program.\* This program is designed to address the needs of rostered ministers and provide seamless benefits during change of call, leave from call, and other events unique to ministry. A bundled approach helps ensure rostered ministers and lay employees are protected against significant financial loss from a variety of risks. Through Portico, congregations\*\* in this



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synod and across the country pool their collective purchasing power to provide benefits in a cost-effective manner. For more information, see the ELCA Philosophy of Benefits at [PorticoBenefits.org/philosophy](https://PorticoBenefits.org/philosophy).

Congregations and plan members share the cost of benefits. Congregations are expected to support the well-being of their covered plan members by paying all or a significant portion of the contributions for benefits. Plan members are expected to participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays).

The ELCA Church Council has approved a balance of cost-sharing between congregations and plan members. Portico offers a choice of ELCA-Primary health benefit options that fit this approved balance. Each fall, congregations in this synod should select one of these approved options to offer their sponsored plan members for the following year. During annual enrollment, Portico will notify congregations which options fit within the range that the ELCA Church Council has approved. Congregations should engage in conversation with their rostered minister to determine the option that best fits their needs. Current contribution rates are available on at [EmployerLink/PorticoBenefits.org](https://EmployerLink/PorticoBenefits.org) or by calling Portico at 800.352.2876.

\*A plan member may waive health coverage if they have access to valid medical insurance coverage through their spouse or another employer.

\*\*“Congregations” may also refer to multi-point parishes or other non-parish ministry agencies such as Bible camps, long-term care facilities, hospitals, campus ministries, etc.

#### **B. AUTOMOBILE EXPENSE REIMBURSEMENT**

Automobile expense and other work-related travel are business expenses of the congregation and should not be considered by the congregation as part of the rostered minister’s compensation. Automobile reimbursements should be sufficient to cover all congregation-related activities. Car expenses include actual expense plus depreciation. The Internal Revenue Service requires accurate records to support automobile expenses. The rostered minister is responsible for maintaining adequate records for every vehicle used for work-related travel. Because new tax laws no longer allow non-reimbursed business expenses, including mileage, to be claimed on tax returns, we recommend congregations use one of the options below rather than providing an automobile allowance.

- The congregation purchases or leases a vehicle and assumes the total expense.
- The congregation reimburses for actual miles driven at a specific rate per mile. The rate might vary depending on where the vehicle is driven and how many miles are driven each year. The current IRS reimbursement rate can be found on <http://www.irs.gov>
- The Central States Synod does not recommend that congregations provide an automobile allowance.

#### **C. PROFESSIONAL EXPENSE REIMBURSEMENT**

It is recommended that the congregation share professional expenses such as books, clerical apparel, periodicals, professional dues, software, entertaining, and hospitality costs incurred in the performance of the duties of the ministry as well as technology tools such as phones and tablets which are essential and necessary for the minister’s calling. The Central States Synod recommends that this be set as a line item in a budget.

#### **D. VACATION**

Because a rostered minister is “on call” day and night and carries heavy responsibilities daily, the recommended minimum annual vacation time is four weeks, which includes four Sundays. The congregation

should consider granting additional vacation time based on length of service in ministry. The length of vacation time, including the number of Sundays off and when vacation time is to be taken, are all matters which need to be discussed openly with your rostered minister and are an important part of their compensation. Vacation time should be used within the calendar year and not accumulated, except by special agreement with the congregation council. Vacation time is available during the first year of any call. Vacation time is a good investment in the health and well-being of the rostered minister and his/her family. Time spent in outdoor ministries and retreats with congregation youth and adults, or work on area ministry, synod, or ELCA committees should not be considered vacation time or educational leave.

#### **E. DAYS OFF**

At least one, and preferably two, full days off should be granted each week. It is understood that congregation emergencies may require a change in schedule from time to time. Days off due to illness shall not be subtracted from vacation time.

#### **F. HOLIDAYS**

It should be noted that the rostered minister is seldom able to take advantage of three-day weekends and other holidays such as Christmas and Easter. Consideration is to be given and the rostered minister encouraged to take days off another time during the week to compensate for these and national holidays. Compensation time is not to be counted as vacation time.

#### **G. CONTINUING EDUCATION**

The Lutheran Church has a history of an educated and well-trained leadership. The congregation should expect its rostered ministers to be involved in continuing education programs which will provide opportunity for personal development, enrichment of devotional life, and growth in effectiveness and competency. Continuing education is regarded as an essential ongoing process that assists the leader in maintaining and sharpening the professional skills required for congregation clergy in a rapidly changing world. The ELCA expects each rostered minister to participate in an average of 50 contact hours of annually. Congregation and synod staff should give consideration to a rostered minister's continuing education record when granting compensation increases and in the call process.

Continuing education is understood to be "professional growth" and "self-renewal," as distinguished from program development, vacation, or a theological convocation. Both the rostered minister and the congregation will benefit from the minister's involvement in continuing education. It is therefore suggested that any continuing education program be mutually studied and agreed upon by the leader and the congregation council. Continuing education may include courses, seminary classes, workshops, or independent study when directed toward a goal.

Conferences and events provided by this synod (such as the annual Bishop's Convocation) are not to be considered as part of continuing education.

The recommended continuing education time is two weeks (fourteen full days which include Sundays), plus the recommendation of \$1,000 per year to fund the continuing education. It is also recommended that this amount accumulate in a separate fund so that the equivalent of three years funds is available and that the rostered minister use at least one week per year. Unless a congregation has an explicit written policy relating to the use of continuing education funds, upon beginning a new call within the ELCA, those funds will transfer to the new congregation.

#### **H. SABBATICAL**

Where a rostered minister has served a congregation longer than five years, the congregation is encouraged to grant sabbatical leave to permit participation in a longer program of continuing education. The rostered minister should be encouraged to take at least a one- to three-month sabbatical leave for study every five years without reduction in compensation. See Appendix.

In all study situations, it is important that the rostered minister be expected to plan a program of study and present a detailed plan to the congregation council for approval. The nature of the sabbatical is ultimately a matter of agreement between the rostered minister and council. The synod office is available to assist in planning. The synod staff and area ministry deans are also available to assist in securing pulpit supply. In thinking about providing a sabbatical, it is important to add additional funds to the congregational budget to pay for pastoral coverage during the sabbatical time.

### **SECTION 3: DISABILITY AND LEAVE**

#### **A. TEMPORARY DISABILITY**

In the case of disability due to injury, or physical or mental health condition, the congregation shall continue to pay the full compensation and housing for the first sixty days of disability, until the temporary disability benefits of Portico Benefit Services go into effect. Disability benefits under the ELCA Disability Benefits Plan provide monthly income, health and survivor coverage, and contributions to the ELCA Retirement Plan. These benefits are designed to help rostered ministers adapt and recover from disabling illness and injury until they can return to work, if possible. The congregation council and rostered minister should contact the synod office and Portico prior to taking actions related to disability.

#### **B. NEW PARENT LEAVE**

Bringing children into a family, by birth or adoption, is an important time of adjustment. With changing parental roles, it is common for both parents to be actively engaged in their children's care-giving. Since each family's situation is unique, congregations are encouraged to be flexible and understanding in granting the necessary time for the rostered minister and their family to make this adjustment. New Parent Leave is a good investment in the health and well-being of the rostered minister and their family as well as a positive way to lift up and model healthy familial commitments to the whole congregation. **The recommendation is that congregations grant six weeks paid leave.**

### **SECTION 4: OTHER MATTERS**

#### **A. ADDITIONAL COMPENSATION**

Congregations who are unable to meet compensation guidelines or would like to reward faithful ministers for their service might consider a variety of means of additional compensation. They should ask their rostered minister what other types of compensation would be beneficial to them. Congregations are invited to think creatively about this. Examples vary by congregation, but some have provided:

- Additional vacation and/or continuing education time
- Additional continuing education funds
- Services from congregation members: licensed daycare, haircuts, car service, dry cleaning, lawn care, snow blowing, etc.
- Additional retirement contributions (above 12%)

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**B. INTERIM AND PART-TIME MINISTRIES**

Because situations vary greatly with interim and part-time ministries, guidance for structuring and compensating these ministries will be provided by the synod office staff as needed.

**C. PULPIT SUPPLY**

Pulpit supply is to be arranged and paid for by the congregation. \$150 for one worship service, plus \$50 each additional service is a recommended minimum. Mileage reimbursement should be provided, usually based on the current IRS rate.

## **APPENDIX**

### **Extended Study Leave (Sabbatical) Guidelines Central States Synod**

#### **PREFACE**

The Biblical witness is the story of God's continuing faithfulness to invest the Gospel into human hands and lives. The Apostle Paul speaks of it as pouring God's love into earthen vessels: "We have this treasure in earthen vessels to show that the transcendent power belongs to God and not to us." (11 Cor. 4-2). Earthen vessels are meant to be filled and emptied, again and again. But care must be taken that, once emptied, the vessels can be filled once again.

St. Paul cautions us that spiritual strength essential to effective ministry comes from God and does not come from ourselves. Both in the strength and in the filling, it is a transcendent power given to us, poured into us as God's people. This is true for all the baptized. It is equally true, perhaps even to a greater degree, of those we look to for filling and spiritual nurture, the rostered ministers who serve among us: pastors and deacons.

The concept of wholeness and wellness in ministry is an important principle in the life of the Church. Healthy congregations and healthy rostered ministers are essential to a healthy community of faithful people. It is our belief that an extended time of study and inward renewal for rostered ministers is an expression of mutual care for one another. The Central States Synod has developed the following guidelines for congregations, institutions, and agencies of the church to make a sabbatical leave possible for the rostered persons who serve among us.

An extended sabbatical leave provides an opportunity for rostered ministers to reflect on their call to ministry and relationship to God. While continuing education on an annual basis provides regular short-term opportunities for growth in learning, an extended sabbatical leave provides the needed opportunity for in-depth learning and renewal, free from current responsibilities, following a length of service to the congregation, agency, or institution. An extended sabbatical leave should be holistic, including time for prayer, reflection, relaxation, and refreshment of body and spirit, as well as further developing gifts for future ministry.

#### **EXTENDED SABBATICAL LEAVE GUIDELINES**

1. An extended sabbatical leave of one to three months be granted to rostered ministers ordinarily after serving in a ministry site for five years.
2. The rostered minister is normally expected to serve the congregation, agency, or institution for at least one year following completion of the sabbatical leave.
3. An Extended Sabbatical Leave Covenant is the centerpiece of the sabbatical leave plan and experience. It is developed through conversation with key leaders: executive committee, staff support committee, supervisor, or others that relate to the rostered minister's continuing education needs in light of the ministry emphases of the congregation, institution, or agency.

- a. Identify ministry highlights and give thanks for ministry accomplished.
  - b. Determine the ministry priority most affected by the rostered minister's leadership and ministry and explore how s/he can become an even more effective leader through further study and renewal.
  - c. Develop a specific education plan and focus for the sabbatical. The focus of the sabbatical leave should be for in-depth study on one or two topics directly related to the regular call of the rostered minister and should include time for personal and familial reflection.
  - d. An outline of financial implications for the sabbatical leave and funding arrangements.
  - e. Identify a specific means through which the congregation, agency, or institution will share in the success of the sabbatical experience upon its completion.
4. The rostered minister will submit a report to the congregation, agency, or institution s/he serves within a mutually agreed-upon period of time following completion of the study leave.
5. The congregation, institution, or agency is encouraged to provide the rostered minister full pay and benefits during the extended sabbatical leave.
6. Proposals for extended sabbatical leave shall be presented to the congregation council or governing body of the agency or institution not less than twelve (12) months prior to the beginning of the proposed leave. Careful consideration shall be given to all aspects of the proposal and implications for the congregation, agency, or institution and the rostered person.
7. Expenses incurred during the sabbatical leave will be borne by the rostered person (i.e., tuition, books, supplies, travel, living expenses, etc.). Continuing education funds would normally be used to cover some of the expenses.
8. Realizing the congregation, agency, or institution will be without the services of its regularly called person, it should consult with the synodical bishop regarding possible options for continuing coverage during the period of the sabbatical leave.
9. It is understood that the extended sabbatical leave and the terms of the covenant are a mutually negotiated agreement between the rostered person and the congregation, agency, or institution. The covenant will be completed and filed with the synod office ordinarily at least three months prior to the beginning date of the sabbatical leave.

*The above extended Sabbatical Leave Guidelines were amended by the Synod Council Meeting on March 18, 2017.*