



The Episcopal Diocese of San Diego

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RESOLUTION 2024-10-01 CLS

Submitted by Finance Committee

WHEREAS the Executive Council of San Diego defined “Net Disposable Income,” the basis of the Common Life Share, in resolution 2016-03-01 as “Line B (Total Operating Revenues) of the Parochial Report”; and

WHEREAS the Episcopal Church has released a new financial page for the parochial report, to be adopted by dioceses no later than the 2025 Parochial Report and optionally used for the 2024 Parochial Report; and

WHEREAS Canon IV.2.03 of the diocese gives the Executive Council the power to define “Net Disposable Income” for purposes of diocesan assessments;

THEREFORE RESOLVED, by the Executive Council of the Diocese of San Diego that for the 2024 filing year, “Net Disposable Income” shall be defined for purposes of Canon IV.2.03 as follows:

New parochial report line 6 “Church non-capital expenses”

Less Pass Through Outreach expenses as defined below

Equals “Net Disposable Income”

RESOLVED that Pass-Through Outreach expenses include funds raised and passed through to other organizations (e.g. Good Friday Offering) or Outreach expenditures related to a non-operating income source (e.g. tuition from schools; special appeal for soup kitchen, etc.); both of which will not be included in “Net Disposable Income.” Outreach expenses paid for from the general donations of the church should not reduce line 6 of the parochial report and should be included in “Net Disposable Income”; and

RESOLVED that to support this resolution, the new parochial report form shall be adopted for the 2024 filing year; and

RESOLVED that if a congregation believes this change in the definition of “Net Disposable Income” adversely affects their Common Life Share, they may file a supplemental parochial report with the Treasurer, calculating Net Disposable Income for the Common Life Share under the definition of Resolution 2016-03-01.

Explanation:

The Canons (IV.2.03) define the formula for diocesan apportionment (Common Life Share) based on “Net Disposable Income,” which the Council has defined as Line B of the current parochial report.

Because the parochial report is changing and will eliminate line B of the Parochial Report, the definition of “Net Disposable Income” must change as well. The CLS Task Force, a subcommittee of the Finance Committee, recommends we adopt the new format for 2024 and substitute line 6 (with some adjustments) as the basis of the CLS.

However, because the full impact of the change cannot be predicted until congregations calculate “Net Disposable Income” in the new format, the Task Force recommends that Council allow one year for churches to calculate CLS under the old method (they must first file using the new method). The Committee will gather information from any congregations who request CLS calculations using the old method to determine what additional changes may be needed to the formula to make the changes permanent before the 2025 filings, at which point the new report will become a permanent requirement of DFMS for congregational reporting.

Signed

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Brian Johnson

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Title

Secretary of Convention

Date

10/17/2024