

# United Dioceses of Cork, Cloyne and Ross

## Diocesan Council

### Meeting the Challenge of Financing the cost of Ministry in the Diocese

#### Introduction

The 2011 accounts of the Diocese adopted by the Diocesan Council reported to the Diocesan Synod on 9<sup>th</sup> June 2012 show a deficit in the Diocesan Sustentation Fund of €113,630.

#### The Diocesan Sustentation Fund

The Diocesan Sustentation Fund pays for ministry in the parishes of the Diocese, lay and ordained. It has no reserves. It is an in and out administrative account used to channel the Fair Share contributions from the parishes (to which are added investment income, interest and donations from other bodies and charities) via the RCB and Diocesan Office in terms of stipends and allowances to stipendiary clergy; salaries to wholtime lay church workers; and expenses (where appropriate) to auxiliary clergy and eligible lay church workers.

A total of 94% of the fund is spent on ministry while 6% is expended on administration costs.

#### Budget

A reconciliation recently undertaken by the Diocesan Finance Committee and explained to the Diocesan Council shows that, in respect of the budget, not only was the budget for 2011 accurate in relation to the things budgeted for, but, in fact, significantly greater savings were attained in all areas or costs were not incurred at all.

#### So, how did the deficit arise?

Three underlying, background factors:

1. First of all, our inherited method of doing the budget has not changed at all in recent years while our presentation of the accounts has (since our accounts are no longer prepared in house). This meant that we did not identify, on our own, the source of the discrepancy. It was not obvious.
2. Second, our all-consuming concern since 2008 has been to maintain the Fair Share (what used to be called the Assessment) at the same level without increase in the most difficult recent years. We did manage to maintain the Fair Share rate, but now this has caught up with us.
3. A third underlying factor is that, in the case of parochial ministry – not sector ministry (for which majority funding comes from other sources) – only 54% of the cost of clergy in the parishes is being passed on via the Fair Share to the parishes. The rest is being met from other sources including interest and investment income.

Specific factors:

4. At the previous census return a number of parishes made errors in their population returns that were subsequently appealed. The Finance Committee had no option but to grant those appeals, but the errors had a cost. That cost over the last two years has resulted, in part, in the deficit – amounting to almost €30,000 of it.

5. The biggest unforeseen and unregulated issue has been the growth and success in the deployment of new forms of ministry, including additional auxiliary clergy in greater numbers and in lay pastoral assistants. Quite simply, we were under-budgeting for this and, over a number of years this was being adequately absorbed, but now, in straitened times, it has caught up with us. This accounts for €73,000 in the 2011 accounts.

### **What now?**

The Diocesan Council had an exception meeting on 7<sup>th</sup> June to consider the way forward.

A number of things are planned:

- i. A review of the operations of the Finance Committee and the in-house management of our accounts.
- ii. A review of our deployment of ministries.
- iii. A review of rates of expenses.
- iv. A review of our budgeting process and the way in which our accounts are presented.

### **How to restore the imbalance/deficit in the Diocesan Sustentation Fund**

- a) The Diocesan Council is proposing to endeavour to redress the deficit over a period of three years.
- b) In that period, it is planned to spread the cost proportionately across the parochial units of the Diocese.
- c) It is hoped that, in addition, parishes, via clergy and Select Vestries, through local knowledge, with great sensitivity in the current times, will reach out to well-disposed individuals who may themselves be in a position to give additional financial assistance to invite them to do so.

### **Conclusion**

Clearly, in common with everyone else in society, we need to restore the equilibrium of our financial situation. We know that we cannot have what we cannot afford. The Diocesan Council is confident, however, that the people of our Diocese and our parishes place great value on the ministry they are receiving and on the work the Church is doing among them locally. It is with this confidence in mind that the Diocesan Council is opting for this strategy.

In coming weeks and months, on behalf of the Diocesan Council, it is intended that there will be briefings for clergy as well as for parochial treasurers.

Meanwhile, members of the Diocesan Synod are requested, as a matter of importance, to bring this communication to each Select Vestry and to ensure that, at an early opportunity it is notified to and discussed in every local situation.

Saturday, 9<sup>th</sup> June, 2012.