

An updated history of the Extended Ministries Fund

Extended Ministries Fund: Backdrop for RSVP study

by Herb Gunn

When the Diocese of Michigan received an unexpected gift of nearly nine million dollars in 1993, it was neither prepared to absorb the money nor ready to wrestle with the impact of such a bequest on the community. The funds were placed in a five-year-old and little-used account called the Extended Ministries Fund (EMF) that had a restriction on access to the corpus and a convoluted application process to call on its interest income for ministry.

The diocesan policy on unrestricted gifts had been approved by the Executive Council in 1988, establishing a procedure for any financial gifts without a donor designation. In 1991, Diocesan Convention reaffirmed the EMF and stated that the Diocese of Michigan Trustees would oversee the investment of the corpus in the Episcopal Growth and Income Fund and guide a process of making the interest income availability for ministry.

Albeit wordy, a complex formula of disbursement looked good on paper. The problem was that prior to the 1993 gift from the Harvey estate (see Ruth Harvey, right), the EMF held less than \$1,000. When the diocese attempted to absorb \$8.7 million, the distribution procedures proved unwieldy.

After two years of tinkering with the method of disbursement, Diocesan Convention, which has the sole responsibility to alter the policy, decided to centralize oversight of all budgeting matters under Diocesan Council in 1995.

From the onset, the EMF policy stated that standards of disbursement of income shall “be consistent with the long-range plans of the diocese and shall be reviewed periodically to assure continuing harmony,” and “the principal of the EMF may not be invaded and only income [interest and ‘realized gains’] shall be used for the purposes described.”

While harmony has not been necessarily disrupted over the decade and a half that the EMF has sat plump with funds, there are definitely people singing different tunes on how the funds should be used.

One general school of thought holds that the funds were given for ministry and ought to be assertively used for ministry, not stored; after all, the EMF is not an endowment fund. The other school of thought submits that the general operating budget of the diocese relies on an annual infusion of a modest percentage from the dividend income of the EMF, and to spend down the principal will deplete the long-term health of the fund.

Woven within these two schools of thought are other conundrums: “It’s a rainy day fund vs. it’s raining like crazy in Michigan and our ability to do any ministry is permanently eroding.” Another area of discussion pits anxieties that the EMF will run out of funds against the idea that the future growth of the EMF will be enhanced only if people witness a tangible exercise of new and compelling ministry that is made possible with the gifts of generous people.

The EMF has weathered the debate, as well as the geographic—and financial—division of the diocese in 1995, the bountiful investment climate of the late-1990s that spun off over \$5 million in appreciated value income that was used to expand ministry and staffing capacity of the diocese and the recent recession of the financial markets that has seen the appreciated value evapo-

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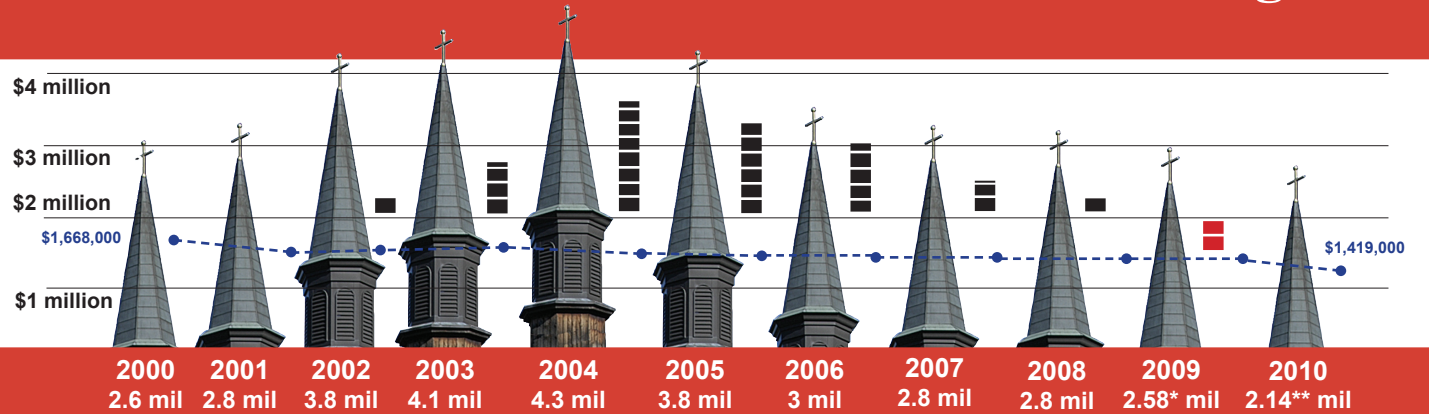
Remembering Ruth Harvey

The only child of a Grosse Pointe physician, Ruth Harvey was a life-long member of Christ Church, Detroit. She never married and led a simple life, living with her mother until she was over 50 years old.

In the last years of her life, Harvey relied on a trust fund and probably had little idea how much her estate was worth. Her last will and testament stipulated that she would leave \$10,000 to Christ Church and the balance would go to the Diocese of Michigan.

In the spring of 1993, Ruth Harvey died and left the Diocese of Michigan \$8,759,000. Other people have added gifts to the Extended Ministries Fund over the years, but Harvey’s bequest remains the core of the ministry fund.

Extended Ministries Fund role in annual budgets



Diocese of Michigan budgets approved by Convention

* 2009 budget set at \$2.9 million was reduced by Diocesan Council to \$2.58 million.
 ** 2010 budget figures are preliminary

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rate and the principal shrink to \$7.5 million (see chart above).

In 2007 and 2008, a pair of Diocesan Council task forces that bore the EMF moniker sought to explore the history and future use of the Extended Ministries Fund. Council approved and brought to Diocesan Convention in October 2008 a recommendation to engage in a substantial review of the diocese. The task force issued a report called “Investment in Parish and Diocesan Revitalization” and asked for \$325,000 to conduct phase one of a comprehensive review and survey of program, property, and personnel.

Diocesan Convention approved the recommendation, albeit by a relatively narrow margin of 157-137, and the Extended Ministries Fund Phase One Steering Committee was formed to initiate the project.

In May 2009, that task force recommended to Diocesan Council a substantially reduced-in-scope and

preliminary study of the core values and priorities for diocesan ministry and mission that grow from those core values as a necessary first step to any discernment about how to use financial resources. Council accepted the recom-

mendation of the steering committee and launched the present project called RSVP— Revitalization and Strategic Visioning Project. The project began in September and will continue through 2010.

RSVP VISION EVENTS

11 A.M. - 3 P.M

DECEMBER 5 - ST. JOHN'S, PLYMOUTH

JANUARY 23 - ST. ANDREW'S, WATERFORD

FEBRUARY 6 - THE CATHEDRAL, DETROIT

MARCH 27 - ALL SAINTS', EAST LANSING

APRIL 17 - ST. PAUL'S, JACKSON