

BILL NO.	CLO PL 02
TITLE	Merging the Department of Annuities and Investment with the Treasurer's Office
REFERENCE	<i>The Doctrine and Discipline of the African Methodist Episcopal Church 2012</i> , Part VI, Section III. Subsection E.2., (Page 131); Part VII, Section II, Subsections D. and G., (Pages. 162, and 177). Part IX, Section IV, Subsection IX, (Page 238)
INTENT	To illuminate the overlapping financial functions of the Chief Financial Officer (CFO) and Department of Annuities and Insurance by merging these two Connectional departments and incorporating them into a reconstructed new Finance Department, placing all financial management decisions under the administration of the CFO, thus illuminating the office of Executive Director of the Department of Annuities and Insurance.
RATIONALE	Organizational efficiency is lost when different departments perform separate but similar functions. If the goal is to provide a stream of highly value-added services that maximize organizational efficiency, departments must merge or be consolidated. The African Methodist Episcopal Church should move quickly to identify departmental synergies, and merge those correlating entities, thus providing budgetary relief for the Connectional Church. More consolidations are needed to capture operational efficiency, Connectional budgetary savings and budgetary relief for local churches struggling to meet their Connectional budgetary assessments. Therefore, at the close of the 2016 General Conference the Department of Annuities & Insurance shall be eliminated and those duties, combined with the duties of the CFO incorporated into a new Department of Finance under the CFO.



- 1 CURRENT TEXT: Part VI, Section III E.2., (pgs 131)
- 2 b.) The Chief Financial Officer shall keep an account of all funds remitted to the Finance
- 3 Department by the annual conferences, administrative committees and interest accrued,

4 and shall disburse same as authorized by the General Conference and directed by the
5 General Board. He or she shall pay the salaries of all General Officers.

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7 c.) The Chief Financial Officer shall pay the traveling expenses of the bishops in
8 attendance at the Council of Bishops upon presentation of a proper voucher against the
9 travelling fund allotted to a bishop, also the legitimate expenses of the session from the
10 fund set aside for the Council of Bishops in the Episcopal Fund.

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12 d.) In no case shall the Chief Financial Officer use any other fund for the expense of the
13 session or of a bishop unless first authorized by a two-thirds vote of the Council of
14 Bishops and a three-fourths vote of the General Board concurring.

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16 e.) The Chief Financial Officer shall separate records kept for each agency receiving
17 funds from the General Budge and the Chief Financial Officer shall pay the Secretary-
18 Treasurer or Executive Director of the various agencies the funds allotted them as
19 authorized by the General Conference and directed by the General Board. All agencies
20 share on a ratio basis and not one of them shall be drawn on for the benefit of another,
21 The fiscal of the General Board and agencies related shall cover the period from April 1
22 to March 31,inclusive.

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24 AMENDED TEXT: Part VI, Section III E.2.; (pg 131)

25 b.) *The Chief Financial Officer shall be responsible for the fiscal management of all*
26 *funds remitted to the Department of Finance and shall ensure that monies for each*

fund account are kept isolated from any other. Funds remitted to the Division of Annuity Investments and Insurance shall be isolated, at all times, from funds remitted to any other purpose, including the General Budget.

c.) The Chief Financial Officer shall keep an account of all funds remitted to the Finance Department by the annual conferences *and* administrative committees and *all* interests accrued *by said funds. He or she* shall disburse same as authorized by the General Conference and directed by the General Board. He or she shall pay the salaries of all General Officers.

d.) The Chief Financial Officer shall pay the traveling expenses of the bishops in attendance at the Council of Bishops upon presentation of a proper voucher against the travelling fund allotted to a bishop, *and shall* also *pay* the legitimate expenses of the session from the fund set aside for the Council of Bishops in the Episcopal Fund.

e.) In no case shall the Chief Financial Officer use any other fund for the expense of the session or of a bishop unless first authorized by a two-thirds majority vote of the Council of Bishops and a three-fourths majority vote of the General Board. *The funds of the Division of Annuity Investments and Insurance shall not be considered.*

f.) *Current paragraph e.) – number subsequent current paragraphs sequentially.*

CURRENT TEXT: Part VII, Section II D., (pgs 162-166)

AMENDMENT: Delete Part VII, Section II D. (pgs. 162-166) and renumber subsequent subsections E thru G.1., as new subsections D thru F respectively. G.2. becomes G.

CURRENT TEXT: Part VII, Section II G.1., (pg 177-178)

- a. There shall be a Department of Finance of the African Methodist Episcopal Church which shall be under the supervision of the General Board and the administration of the Treasurer/CFO of the African Methodist Episcopal Church.
- b. The role of the Department of Finance shall coincide with duties of the Treasurer/CFO of the African Methodist Episcopal Church.
- c. The employed personnel of the Department of Finance shall be selected by and be responsible to the Chief Financial Officer of the African Methodist Episcopal Church.

AMENDED TEXT: Part VII, Section II New Section F. *The Department of Finance*

- a. (same as current Section II G. 1. a. (pg. 178))
- b. The Department of Finance shall, under the administration of the chief financial officer (CFO) of the African Methodist Episcopal Church, keep account of all funds remitted to the department and disburse same as authorized by the General Conference and directed by the General Board. The duties and responsibilities of the CFO are integrated into the responsibilities of the Department of Finance.*
- c. There shall be a Division of Annuity Investments and Insurance within the Department of Finance that shall manage the programs of the African Methodist*

73 *Episcopal Church operated for the retirement security of the salaried personnel of*
74 *the church. These include Ministerial Annuities and the Ministerial Retirement*
75 *Program. Funds remitted to the Division of Annuity Investments and Insurance and*
76 *invested for the retired security programs. These funds shall at all times be isolated*
77 *from funds remitted to the Department of Finance for any other purpose, including*
78 *the General Budget.*

79 *d. The Chief Financial Officer of the African Methodist Episcopal Church shall hire a*
80 *specialist in financial management to see that the employees of the church receive*
81 *the maximum benefits to which they are entitled from the investments of the annuity*
82 *and retired security programs.*

83 *e. Ministerial Annuity Plan*

84 *1. The Department of Finance shall direct the Ministerial Annuity Plan of*
85 *the African Methodist Episcopal Church as directed by the General*
86 *Board. There is hereby established annuity coverage for the salaried*
87 *personnel of the AME Church. Included in this coverage shall be all*
88 *bishops, general officers, college presidents, deans of theological*
89 *seminaries, itinerant elders, and salaried personnel of the connectional*
90 *departments of the AME Church, including our hospitals, church*
91 *schools and colleges. In addition, full time employees of the local church*
92 *may elect to participate in the Annuity Plan. A full-time employee is*
93 *defined as one working a minimum of twenty (20) hours per week on a*
94 *continual and consistent basis. The pastor and the Board of Stewards*
95 *must confirm this status.*

- 96 2. *The Commission on Annuity Investments and Insurance of the General*
97 *Board shall serve as the trust committee for the annuity coverage for the*
98 *AME Church. There shall be, and is hereby established, an Annuity*
99 *Fund within the AME Church.*
- 100 3. *The established contribution amount for each enrolled participant shall*
101 *be twelve percent (12%) of annual salary and the minimum contribution*
102 *amount shall be \$312.00 due at each Annual Conference and Mid Year*
103 *Convocation and based on minimum average annual salary of*
104 *\$5,250.00. Two percent (2%) of reported contributions shall be allocated*
105 *to the Division of Annuity Investment and Insurance for administration.*
106 *Payments are to be remitted to the Division of Annuity Investments and*
107 *Insurance within seven calendar days after they are received.*
- 108 4. *All participants in the AME Church Retirement Annuity Plan shall have*
109 *the option to self direct the investment of their annuity account assets up*
110 *to a maximum of thirty percent (30%) of the total account balance.*
111 *When exercising this option, the participant assumes full responsibility*
112 *for the investment decisions subsequently made and the performances of*
113 *the chosen investment products. Each participant electing to self direct*
114 *must complete and submit an Investment Waiver to the Division of*
115 *Annuity Investments and Insurance which shall thereafter indemnify*
116 *the Division and the Department of Finance, held harmless and released*
117 *from their fiduciary responsibilities in such instances.*

118 5. *All bishops, general officers, college presidents/deans of theological*
119 *seminaries, itinerant elders and all other ordained persons receiving an*
120 *appointment to a pastoral charge, must enroll and participate in the*
121 *Annuity Plan of the AME Church. All of the above will be included in*
122 *the Annuity Plan regardless of attained age. Any participant in the*
123 *Annuity Plan may elect to retire at age sixty-five (65) or at any age*
124 *thereafter.*

125 6. *All eligible and enrolled participants*

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128 *f. Group Life Insurance*

129 *The Division of Annuity Investments and insurance shall make available a Group Life*
130 *Insurance Plan.*

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132 *g. The Commission on Annuity Investments and Insurance of the General Board shall*
133 *be continuing commission to make an in-depth study of the Annuity Program*
134 *presently in force in the AME Church.*

135 *a. The commission shall be empowered to obtain*

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138 *h. The Division of Annuity Investments and Insurance shall be required to maintain all*
139 *employee benefits program records for each participant for a period of seven (7)*
140 *years, which shall be known as*

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142 *i. Retirement Plan for Pastors and Presiding Elders*

143 *The Retirement Plan for Pastors and Presiding Elders, created and established by the*
144 *General Conference of 1996,*

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146 *j. The employed personnel of the Department of Finance shall be of high*
147 *qualifications commensurate with the respective position. They shall be selected by*
148 *and be answerable to the CFO of the African Methodist Episcopal Church. In*
149 *addition, the specialist with direct supervision of the retirement security programs*
150 *shall also answerable to the General Board.*

151 k.

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153 COST:

154 This proposed legislation will have projected savings on the General Church Budget as
155 follows:-

156 **A. Elimination of Department of Annuities & Insurance \$587,412.00**

157 **B. 20% of Gross Savings transferred to the CFO for staffing \$117,500.00**

158 **C. Net Budget Savings (A- B) \$469,912.00**

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161 **Submitted by the CLO Proposed Legislation Committee**