

# The Joint Standing Committee on Program, Budget, and Finance

The Joint Standing Committee on Program, Budget, and Finance of General Convention to serve during the 1974-1976 triennium was appointed December 19, 1973, as follows:

**Bishops**

The Rt. Rev. J. Warren Hutchens  
The Rt. Rev. Robert Spears (resigned)  
replaced by:  
The Rt. Rev. Albert W. VanDuzer  
The Rt. Rev. Robert B. Appleyard (*convener*)  
The Rt. Rev. Furman C. Stough  
The Rt. Rev. John M. Krumm  
The Rt. Rev. David R. Thornberry  
The Rt. Rev. Harold C. Gosnell  
The Rt. Rev. Robert C. Rusack  
The Rt. Rev. Anselmo Carral

**Presbyters**

The Rev. Douglas G. Burgoyne  
The Rev. John R. Edler  
The Rev. James R. Moodey  
The Rev. Edwin F. Kirton, STD  
The Rev. Kenneth E. Trueman  
The Rev. Robert F. Royster  
The Rev. Donald N. Hungerford  
The Very Rev. Richard P. Coombs  
The Rev. Ricardo T. Potter

**Lay Persons**

Mr. Frank P. Foster  
Mr. Gerald A. Lamb  
Mrs. Hugh H. Butler (Barbara)  
Mr. Robert E. Wehrle  
Mr. Dupuy Bateman, Jr.  
Mr. Charles L. Ritchie, Jr.  
Mrs. Seaton G. Bailey (Lueta)  
Dr. Walker Taylor  
Mr. Earnest N. Robinson  
Mrs. Wynne Silbernagel (Jane)  
Mr. Charles E. Bailly  
Mr. John L. Carson III  
Mr. Sheldon H. Crocker  
Mr. Roger L. Ewing  
Dr. George Gibbs  
Dr. George A. Shipman  
Mr. Gonzalo Lugo  
Mrs. Roger B. Noyes (Sally)

**Ex officii, with vote**

Presiding Bishop  
President of the House of Deputies

**Ex officii, without vote**

Executive Officer of General Convention  
Treasurer of General Convention  
Treasurer of Executive Council

Bishop Appleyard convened the Committee on June 10, 1974, at the Holiday Inn, Chevy Chase, Maryland. Officers were elected as follows:

Mr. Dupuy Bateman, Jr., *Chairman*  
The Rt. Rev. Robert C. Rusack, *Vice-Chairman*  
The Rev. John R. Elder, *Secretary*  
The Rev. Douglas C. Burgoyne, *Assistant Secretary*

---

## PROGRAM, BUDGET, AND FINANCE

---

The Committee organized itself into sections as follows:

### **General Church Program Section**

Rusack, Bishop  
Gosnell, Bishop  
Edler, Presbyter  
Kirton, Presbyter  
Coombs, Presbyter  
Foster, Lay (*Secretary*)  
Lamb, Lay  
Butler, Lay  
Bateman, Lay  
Ritchie, Lay  
Bailey, Lay (*Chairman*)  
Silbernagel, Lay  
Crocker, Lay  
Ewing, Lay  
Shipman, Lay (*Vice-Chairman*)  
Lugo, Lay  
Hutchens, Bishop  
Krumm, Bishop  
Carrall, Bishop  
Truman, Presbyter  
Royster, Presbyter  
Potter, Presbyter  
Bailly, Lay  
VanDuzer, Bishop  
Treasurer of Executive Council

### **General Convention Expense Section**

Appleyard, Bishop (*Chairman*)  
Thornberry, Bishop  
Burgoyne, Presbyter  
Hungerford, Presbyter  
Taylor, Lay  
Robinson, Lay  
Carson, Lay (*Secretary*)  
Gibbs, Lay  
Noyes, Lay  
Wehrle, Lay  
Stough, Bishop  
Moodey, Presbyter  
Treasurer of General Convention

### **Funding Section**

Shipman, Lay (*Chairman*)  
Hutchens, Bishop (*Vice Chairman*)  
Taylor, Lay  
Hungerford, Presbyter (*Secretary*)  
Silbernagel, Lay  
Treasurer of Executive Council  
Treasurer of General Convention

### **Audit Section**

Gibbs, Lay  
Robinson, Lay (*Secretary*)  
Lamb, Lay  
Ewing, Lay (*Chairman*)  
Treasurer of General Convention  
Treasurer of Executive Council

E. Holcombe Palmer, Esq., was appointed Senior Advisor-Consultant to the Committee.

An Executive Committee was appointed consisting of the officers, the chairmen of each of the four sections; The Presiding Bishop, President of the House of Deputies, Chairman of the Finance Committee of the Executive Council and Mr. Palmer to be ex officio members.

The Committee took action on the following:

1. Provision for the moving expenses of former Presiding Bishop Hines and the

## APPENDICES

---

new Presiding Bishop Allin.

2. Provided for a cost of living adjustment in the compensation of employees of General Convention; set the compensation of the Presiding Bishop.

3. Provided for the expenses for the installation of Presiding Bishop Allin.

4. The budget of the Agenda and Arrangements Committee at General Convention was increased from \$5,000 to \$20,000 for the Triennium.

The members of the Committee present attended the installation of Presiding Bishop Allin the following day.

On November 1, 1974, the Audit Section of the Joint Standing Committee on Program, Budget and Finance met in New York with the Treasurer of Executive Council, the Treasurer of General Convention and the Auditors, Price Waterhouse & Company. It made recommendations as follows:

“In accordance with Resolution A-7 of the 1973 General Convention and discharging our responsibility to direct audits of the General Convention and Executive Council, and fulfill an advisory role:

### I. Accountability of Grants

We bring to your attention the fact that approximately \$9,000,000 of our annual budget is disbursed in lump-sum grants without knowledge or supervision of actual detailed disbursements, and recommend that you consider increasing field audit spot checks of these jurisdictions and agencies, whenever reasonably practicable, and request that all such jurisdictions and agencies submit appropriate annual financial statements and information.

### II. Conflict of Interest

We recommend that the Executive Council direct the Treasurer to investigate any possible conflict of interest that may exist where staff or committee members or agents may be receiving compensation that may constitute a conflict of interest and that the Treasurer may devise a form for this purpose to divulge such potential conflicts.

### III. General Convention Fiscal Year

We recommend that the fiscal year of the General Convention be changed to a calendar year basis, thus extending the fiscal year from August 15th to December 31, 1976—subject to the approval of the General Convention.”

On November 21, 1974, the Executive Committee plus Mr. Crocker and Mr. Ritchie (Chairmen of Sub-Committees at Houston) met in New York with the Finance Committee of the Executive Council to consult in an advisory capacity on the 1975 General Church Program Budget pursuant to the Joint Rules of Order and the Resolutions adopted by the 64th General Convention.

It took the following actions:

1. Adopted a resolution stating that in its opinion “The integrity of the priorities of program emphasis as voted by General Convention” could best be maintained if the Finance Committee of the Executive Council sought every possible means to restore the amounts requested for 1975 by the Black Colleges, the Board of Theological Education, and the Ministry Council in the 1975 General Church Program Budget. Otherwise it concurred in the 1974 General Church Program Budget as proposed by the Finance Committee of the Executive Council.

2. Provided an appropriate housing allowance for the Presiding Bishop.

3. Adopted the Report of the Audit Committee and recommended its implementation to the Executive Council and the 65th General Convention.

The Committee met on November 14, 1975, in New York with the Finance

## PROGRAM, BUDGET, AND FINANCE

Committee of the Executive Council to consult in an advisory capacity on the 1976 General Church Program pursuant to the Joint Rules of Order and the Resolutions adopted by the 64th General Convention.

It took the following actions:

1. Concurred in the actions taken by its Executive Committee on November 21, 1974.
2. Concurred in the 1975 General Church Program Budget as proposed by the Finance Committee of the Executive Council.
3. Voted to hold a meeting of the Committee in May or June, 1976, jointly with the Finance Committee of Executive Council for the principal purpose of having presented to it the proposed 1977 General Church Program Budget as adopted by the Executive Council.
4. Heard a preliminary report of its Funding Section on a study to find a more equitable formula for determining the assessment.
5. Appointed a Committee consisting of Bishop Appleyard, the Rev. Mr. Hungerford and Mr. Foster to study the desirability of persons serving simultaneously on the Executive Council and the Joint Standing Committee on Program, Budget and Finance.
6. Elected Frank Foster Assistant Secretary to replace the Rev. Mr. Burgoyne, who resigned.
7. Made the following increases in the expenses of General Convention Budget:

B-1	29286	House of Bishops Assistant Secretary	\$ 300.
B-2	29401	Certified Public Audit & Recorder of Ordinations	4,000.
B-3	29405	Examining Chaplains	15,000.
B-4	29415	Standing Liturgical Commission	16,000.
B-5	29417	Standing Commission on Structure	1,600.
B-6	29512	General Convention Assistant Secretary	
		Cost of Living increase	1,600.
B-7	29513	General Convention Additional Help (Part Time)	4,150.
B-8	29514	Secretary-Treasurer – General Convention Travel	4,800.
B-9	29516	General Convention Office Expense	5,000.
B-10	29520	Convention Manager – Cost of Living Increase	2,310.
B-11	29521	Secretary to Convention Manager	
		Cost of Living Increase	1,100.
B-12	29523	Convention Manager – Travel Expense	6,000.
B-13	29782	Printing of Journal – Canons –	
		House of Bishops Minutes	28,000.
	29412	Program, Budget & Finance	8,000.

8. Adopted a recommendation to Executive Council that in the 1976-79 Triennium, all expenses of the Joint Committees, Commissions and Boards of General Convention having programmatic functions and employing staff be included in the General Church Program Budget and under the purview of Executive Council, leaving the expenses of General Convention Budget to include only the expenses of General Convention and the expenses of the meetings of the Joint Committees, Commissions and Boards of General Convention.

9. Authorized the Treasurer of General Convention to borrow \$25,000 in 1975 and up to \$25,000 in 1976 to finance the deficit in the Expenses of General Convention Budget.

10. Voted to hold hearings for three days beginning Wednesday, September 8, in Minneapolis on the General Church Program Budget and the Budget for the

## APPENDICES

---

expenses of General Convention for the 1977-79 Triennium.

The Joint Standing Committee on Program, Budget and Finance was budgeted for \$35,000 by the 64th General Convention for the 1974-76 Triennium and were advanced \$8,000.00 more. This amount of \$43,000.00 represents its estimated expenditures.

The following members were not reelected deputies to the 65th General Convention:

	Diocese	Province
Mr. Gerald A. Lamb	Connecticut	1
The Rev. Douglas G. Burogoyne	Western Mass.	1
Mr. Charles L. Ritchie, Jr.	Pennsylvania	3
The Rev. Dr. Edwin E. Kirton	East Carolina	4
Mrs. Wynne Silbernagel (Jane)	Southern Ohio	5
Dr. George Gibbs	Los Angeles	8
Mr. Gonzalo Lugo	Puerto Rico	9
Mrs. Roger B. Noyes (Sally)	Western Mexico	9
The Rev. Ricardo T. Potter	Dominican Republic	9

and such vacancies were filled by the President of the House of Deputies pursuant to the Joint Rules of Order as follows:

	Diocese	Province
Mr. Edward L. Daniel	Vermont	1
The Rev. Canon W. David Crockett	Western Mass.	1
Mrs. Earl E. Eisenhart (Helen)	Washington	3
The Rev. H.I. Louttit, Jr.	Georgia	4
Mr. John Webster	Southern Ohio	5
Mr. Matthew K. Chew	Arizona	8
Mrs. Melchor Saucedo (Catherine)	Western Mexico	9
The Rev. Clarence Hayes	Panama & Canal Zone	9
Mr. Richard Moss	Equador	9

Mr. Bailly, the Rev. Mr. Moodey and Mr. Chew were appointed to the Audit Section; Bishop Stough was appointed to the Funding Section.

The Audit Section met March 26 in New York with the Treasurer of General Convention, the Treasurer of Executive Council and the Auditors, Price Waterhouse & Company. Its report will be made to General Convention.

Dupuy Bateman, Jr. (*Chairman*)  
 The Rt. Rev. Robert C. Rusack (*Vice Chairman*)  
 The Rev. John R. Edler (*Secretary*)

### Appendix

#### Proposed Budget for Program, Budget, and Finance for 1977-79 Triennium

FULL COMMITTEE	
36 members – 3 meetings – 3 days each – Travel, Room, & Board	\$43,200
AUDIT COMMITTEE	
5 members – 3 meetings – 2 days each – 1 a year	5,250
EXECUTIVE COMMITTEE	
8 members – 2 meetings – 2 days each	5,600
FUNDING COMMITTEE	
5 members – 1 meeting – 1 day	1,550
All members (36) at Convention	<u>9,000</u>
Total Budget, 1977-79	<u>\$64,600</u>

## PROGRAM, BUDGET, AND FINANCE

---

### SUPPLEMENTAL REPORT

The Committee met on May 25 and 26, 1976, in New York at The Episcopal Church Center, 815 Second Avenue. All appointed members were present except Bishops Appleyard, Rusack and Stough; the Rev. Mr. Royster, and Messrs. Webster and Crocker. E. Holcombe Palmer, Esq., Consultant, acted as Secretary of the meeting. The Presiding Bishop and members of his executive staff, Bishops Wood, Browning and Martin; Mrs. Cheney and Messrs. Costigan, Goodbody and Gill were present. The Rt. Rev. Scott Field Bailey, Executive Officer of the General Convention, and the Rev. James R. Gundrum, Secretary and Treasurer of the General Convention were present.

Dr. Walker Taylor, Chairman of The Finance Committee of the Executive Council presented to the Committee in considerable detail the Proposal of The Executive Council for The General Church Program Budget for The 1977-79 Triennium and method of financing it.

The Presiding Bishop addressed the Committee eloquently and with conviction on the "Venture-in-Mission" Capital Funds Campaign which he will ask the Minneapolis General Convention to approve with commitment. The Presiding Bishop introduced Mr. Robert Ayers of West Texas, who will assist the Presiding Bishop in this campaign and Mr. Harold Trish, President of Ward, Dreshman and Reinhardt of Ohio, who have been retained as professional fund raisers. The question was raised as to whether this campaign would provide funding for the 1977-79 triennium General Church Program Budget, and it was stated that this Campaign is still to be approved by the General Convention and cannot be considered as a source of income for the General Church Program.

The Rev. Mr. Gundrum, Secretary and Treasurer of the General Convention presented a summary of the requests for inclusion in the General Convention Budget, which had not received consideration by the Committee and will not receive serious consideration until the Hearings at Minneapolis. Bishop Bailey, Executive Officer of the General Convention, presented the recommendation of the Hay Associates (compensation specialists retained by the Executive Council for its salary administration) concerning the compensation of the Presiding Bishop.

The Committee divided itself into sections on the General Church Program Budget (Mrs. Bailey, Chairman) and on the Budget for the expenses of General Convention (Mr. Carson, acting Chairman for Bishop Appleyard); each section split and organized itself into several sub-committees which were assigned responsibility for specific parts of the Budgets. The sub-committees were introduced to the Episcopal Church Center Executives who could be helpful as resource persons in considering assigned part of the Budgets.

The Section on Audit (Mr. Ewing, Chairman) presented the following report:

#### REPORT OF AUDIT SECTION

I. On March 26, 1976, the Audit Subcommittee met with representatives of Price Waterhouse & Co., the Society's outside auditors, to receive their report and recommendations as a result of their examination for the year ended December 31, 1975. We now submit to the full Committee the following for its consideration:

- (1) We recommend that the Executive Council and the Executive Officer of the General Convention adopt recommendations 1, 3, 4, and 5 of "Recommendations To Improve Internal Control" dated March 19, 1976, from Price Waterhouse & Co. Fundamentally, we are in agreement with recommendation 2 of this same report. However, in view of the current personnel situation, we believe that it would be practical to require, wherever possible, either annual audits by independent public accounting

## APPENDICES

---

- firms or by qualified personnel from the National Church financial staff of all jurisdictions or organizations receiving grants in excess of \$25,000. and further, that the cost of such audit be borne by the grantee.
- (2) We further recommend that the conflict of interest policy adopted by the National Church staff in 1975 be equally applicable to General Convention personnel and that in this connection, the General Convention Executive Officer request completion of conflict of interest statements from the General Convention Staff and the Chairmen of all Boards, Agencies, Joint Committees and Joint Commissions.
- II. At this meeting we also received a detailed and most helpful report from the Treasurer of the General Convention concerning the activities of Bob Wallace, General Convention Manager, with particular regard to the results of the Louisville Convention and the plans and anticipated results of the approaching Minneapolis Convention, but also containing historical convention information dating back to 1961. We report the following items of general interest with regard to this subject:
- (1) The financial statements for the previous triennium with a fiscal year ending August 15, 1976 are meaningless in attempting to assess the performance of a professional convention manager because this is an illogical cut-off date for a report prepared on a cash basis. The August 15th ending date produces substantial omissions in convention expenses particularly which then become co-mingled with the next triennium budget and the next convention even though they are related to the previous convention.
- (2) The report was prepared by Bob Wallace from records, independent of the Treasurer's formal accounts, which apparently had been passed on from one host diocese to another. We believe the report is substantially accurate, but there is no economical way to reconcile it with the Treasurer's financial statements which are based upon an August 15th fiscal year rather than a natural convention period.
- (3) The report does indicate that we have improved our situation substantially by utilizing a professional person for this area who has also assumed the responsibility for arranging for virtually all interim meetings of General Convention committees and commissions as well.
- (4) A detailed chart of accounts has been specifically prepared by the Convention Manager for Minneapolis with at least the beginning of needed budgetary controls. With this having been established in advance and coupled with the anticipated and absolute necessity of extending the accounting period to December 31st, we should have our first meaningful financial statement on a General Convention this year which is also an integral part of the Treasurer's accounts. Equally needed are budgetary controls for the other components of the General Convention Assessment Budget.
- III. For the consideration of the full Committee, we call your attention in this environment of "full disclosure" to the possible inadequacy of our financial reporting to General Convention. First of all, the Report of Program, Budget and Finance is rather obscure as to what specifics are adopted for the second and third years of the three year budget submitted to General Convention. Secondly, an examination of the independent auditor's reports for a number of years discloses that approximately one third of the Society's gross annual income is of a non-budgetary nature. This non-budgetary income is principally comprised of special national offerings such as the Presiding Bishop's Fund for World Relief and the United Thank Offering which are separately reported in various sections of the General Convention Deputy's working handbook. The audit section, therefore, merely wants to remind the Deputies of the House that the Society does have other income in addition to the two budgets they will adopt.
-

## PROGRAM, BUDGET, AND FINANCE

---

- IV. Finally, your subcommittee recently requested the Treasurer of Executive Council to furnish a statistical report on the extent of our internal auditing functions that were conducted during 1975 in order for us to evaluate their adequacy. We report the following findings:
- (1) No reliance can be placed upon the annual audit by our independent accountants to disclose defalcations at the national church headquarters or any outside jurisdictions because their tests are so limited and are primarily conducted to evaluate the existing internal control and to make general recommendations to the management.
  - (2) Contrary to our Subcommittee's previous assumption, the internal audit operations presently performed at the national church headquarters are conducted on a part-time basis and the scope of the work is very minimal.
  - (3) Contrary to our Subcommittee's previous assumption, the field audits conducted by the National Church staff are performed only on a "request" basis and no such audits were performed during 1975. The pressures of a reduced staff produced a management decision in early 1975 to postpone the offering of any auditing services until 1976 for the jurisdictions of Liberia, Guatemala, Northern Mexico, Western Mexico and Haiti. Two year audits of these jurisdictions were to be performed at their requests during 1976.
  - (4) An enlarged and uninterrupted internal auditing program by the Treasurer of Executive Council is absolutely essential to the Program, Budget and Finance Committee's fulfilling its responsibilities to General Convention and such a program should not only be funded but made absolutely immune from budgetary reductions.
- V. In conclusion, we commend the Treasurer of Executive Council and his staff for the professional quality of their work, their excellent cooperation in furnishing a great deal of information and their remarkable dedication to their tasks. In addition to incorporating the contents of this report in the Supplemental Blue Book, we recommend that the essence of the report be verbally reported to the General Convention assembled.

Roger L. Ewing  
Chairman of Audit Subcommittee

The following Resolutions were adopted on the Audit Section's Report:  
*Resolved*, that the Joint Standing Committee on Program, Budget and Finance of the 65th General Convention hereby commends and congratulates the Treasurer, Mr. Matthew Costigan, for his fiscal responsibility and the diligence with which he has run the Office of the Treasurer and his complete cooperation and assistance to the members of this Committee; and be it further

*Resolved*, that the Committee adopts the Report as presented herein above, and that a summary Report be included in the Supplemental White (Blue) Book. And, that a verbal Report be scheduled and reported to the General Convention.

The Secion on Funding (Dr. Shipman, Chairman) presented the following report:

### FUNDING SECTION

#### ITEM #1: Use of Legacies

The Funding Section considered the recommendation of the Executive Council that undersigned legacies and bequests received by the Society be used for budgetary support only to a limited extent, the amount decreasing during the 1977-1979 triennium from \$247,000 in 1977 to \$150,000 in 1979, and be omitted entirely thereafter. All such legacies and bequests received in excess of the budget

## APPENDICES

---

amounts would be used to establish a new general endowment fund the income of which to be used for the General Church Program. Beginning with the year 1980 it is intended, subject to subsequent Convention action that the entire amounts received from undesignated legacies and bequests be added to this new endowment.

The Funding Section recommends the endorsement of this policy, a suitable resolution should be included in the Standing Committee's report to the General Convention.

### **ITEM #2: Provision for Contingencies**

The Section noted that the provision for contingencies included in the recommended budget for 1977 is wholly inadequate to meet unanticipated needs. The Section concluded that prudent budgeting would provide a reserve of at least two percent of the total appropriated in 1977 and in each year thereafter. The Section recommends that the Standing Committee take all steps possible toward reaching that level of a contingency reserve in the 1977 budget, and that the Executive Council follow this policy in budgeting for 1978 and 1979.

### **ITEM #3: NDBI (Net Disposable Budget Income) Formula**

The Section considered the experience of the current triennium in the use of the NDBI Formula. It is evident that the formula is working as intended. Uncertainties involved in projecting the rate of increase in the income of the Church as a whole from year to year of a triennium make it difficult to project the time at which a uniform rate can be applied to all dioceses. The present expectation is that a uniform rate of around 3.7 percent will be possible in 1980 or 1981.

It should be emphasized that the original objections of the NDBI formula remained unchanged. These are to treat dioceses equitably on the basis of their financial capacity to contribute to the support of the General Church Program, to narrow the spread between maximum and minimum percentages as rapidly as circumstances permit, and to minimize the "shortfall" between the amount apportioned and the income realized. Meeting the requirements of these three criteria involves the adjustment of maximum, minimum, and intermediate percentage rates. The Formula proposed by the Executive Council appears to come very close to optimizing the yield for budgetary support. However, the memorial from the First Province proposed an alternative formula which would use a lower maximum rate (4.7 percent) the same minimum (3.2 percent) and somewhat increased intermediate rates, the net amount that this formula would yield (after allowing for shortfalls) has not yet been computed. The Section recommends that the matter of the NDBI rates remain under study by the Section with a final recommendation to be presented to the Standing Committee at Minneapolis.

### **ITEM #4: The Assessment Base for the General Convention Budget**

In accordance with its study objectives for this triennium and in response to the request of the House of Bishops, the Section has considered a variety of alternatives to the clergy head tax for the funding of the General Convention Budget. Those alternatives and their results, diocese by diocese, have been tabulated and are available in print-outs. The Section has reached the preliminary conclusion that the best alternative is to fund the General Convention Budget by the use of a factor of the NDBI uniform for all dioceses, and mandatory as is the present head-tax. The alternatives, the preliminary conclusion and the reasoning supporting it will be submitted to the Bishops having jurisdiction for their evaluations and comments. A final recommendation will be submitted to the Standing Committee at Minneapolis.

## PROGRAM, BUDGET, AND FINANCE

---

### ITEM #5: The Funding of General Convention Committees and Commissions

The discussion of the funding of the General Convention Budget was the occasion for the expression of related views by the Section. It was agreed that all groups seeking appropriations from the budget should be advised in advance that the Standing Committee will consider funding requests for only planning, policy development, and evaluation functions for legislative purposes unless financing is required by Canon. It is recommended that this policy, already adopted by the Standing Committee, be made clear to all who request support from the General Convention Budget.

The Report of The Funding Section was adopted by the Committee, and the following Resolution was also adopted:

*Resolved*, That the General Church Program Section include a provision for contingency which would in no event be less than 1% of the budget for 1977 and subsequent years of the triennium.

It was announced that the Committee members would be expected to meet in Minneapolis at 8:00 p.m., Tuesday, September 7, 1976, in Rooms 205 A & B of The Convention Center in Minneapolis for the purpose of organizing for Committee Hearings to begin at 9:00 a.m. the following morning.

*Respectfully submitted,*  
Deputy Bateman, Jr., Chairman  
John R. Edler, Secretary

The Membership of the Committee now is as follows:

#### Province I

Rt. Rev. J. W. Hutchens, 1335 Asylum Avenue, Hartford, Connecticut 06105  
Rev. Canon W. David Crockett, 20 Glenn Drive, Wilbraham, Massachusetts 01095  
Mr. Frank P. Foster, 174 Scituate Street, Arlington, Massachusetts 02174  
Mr. Edward Daniel, Diocesan Center, Rock Point, Burlington, Vermont 05401

#### Province II

Rt. Rev. Albert W. Van Duzer, 808 West State Street, Trenton, New Jersey 08618  
Rev. John Edler, 47 Powhatan Path, Oakland, New Jersey 07436  
Mrs. Hugh H. Butler, 165 Shoreham Drive, Rochester, New York 14618  
Mr. Robert E. Wehrle, Marin Midland Bank-Central, 344 So. Warren Street, Syracuse, New York 13201

#### Province III

Rt. Rev. A. B. Appleyard, 325 Oliver Avenue, Pittsburgh, Pennsylvania 15222  
Rev. James R. Moodey, 232 Wyoming Avenue, Scranton, Pennsylvania 18503  
Mrs. Earl E. Eisenhart, 5009 Earlston Drive, Westgate, Maryland 20016  
Mr. Dupuy Bateman, Jr., 600 Grant Street, Pittsburgh, Pennsylvania 15219

#### Province IV

Rt. Rev. F. C. Stough, 521 North 20th Street, Birmingham, Alabama 35203  
Rev. H. I. Louttit, Jr., 1521 N. Patterson Street, Valdosta, Georgia 31601  
Mrs. Seaton G. Bailey, P.O. Box 2, Griffin, Georgia 30223  
Dr. Walker Taylor, P.O. Box 897, Wilmington, North Carolina 28401

#### Province V

Rt. Rev. John M. Krumm, 412 Sycamore Street, Cincinnati, Ohio 45202  
Rev. Kenneth Trueman, 1717 Church Street, Wauwatosa, Wisconsin 53213  
Mr. Ernest N. Robinson, One North Dee Road, Park Ridge, Illinois 60068  
Mr. John Webster, 333 West First St., Dayton, Ohio 45402

#### Province VI

Rt. Rev. D. R. Thornberry, P.O. Box 1007, Laramie, Wyoming 82070  
Rev. Robert F. Royster, 985 Garrison, Lakewood, Colorado 80215  
Mr. Charles Bailly, 1737 South 7, Fargo, North Dakota 58102  
Mr. John L. Carson, III, 7427 South Windermere, Littleton, Colorado 80120

#### Province VII

Rt. Rev. Harold C. Gosnell, P.O. Box 6885, San Antonio, Texas 78209  
Rev. D. N. Hungerford, P.O. Box 2828, Odessa, Texas 79760  
Mr. Sheldon H. Crocker, 520 San Jacinto Street, Houston, Texas 77002  
Mr. Roger Ewing, 2514 Summit Street, Kansas City, Missouri 64108

## APPENDICES

---

### Province VIII

Rt. Rev. Robert C. Rusack, P.O. Box 2164, Los Angeles, California 90051  
Very Rev. R. Coombs, East 127 12th Avenue, Spokane, Washington 99202  
Mr. M. K. Chew, Valley Center, Suite 3250, Phoenix, Arizona 85073  
Dr. George Shipman, P.O. Box 275, Freeland, Washington 98249

### Province IX

Rev. Anselmo Carral, Apartado 58-A, Guatemala City, Guatemala  
Rev. Clarence W. Hayes, Box 4720, Panama 5, Panama  
Mrs. C. W. DeSaucedo, Apartado Post #32-88, Guadalupe 6, Jalisco, Mexico  
Mr. Richard Moss, P.O. Box 165-A, Quite, Ecuador

### Ex-Officio

The Presiding Bishop  
The President of the House of Deputies  
The Executive Officer of the General Convention  
The Rev. James R. Gundrum, Treasurer of the General Convention  
Mrs. Dorothy J. White, Assistant Treasurer  
Mr. Matthew Costigan, Treasurer of the Executive Council

## APPENDIX

### Recommendations to Improve Internal Accounting Control – 1975

#### RECOMMENDATION 1:

*Review all Trust Funds to determine what portions of the Funds are restricted by the donors.*

The Trust Funds include amounts restricted by the donor as to income and/or principal and amounts designated by Executive-Council action. In order to determine what resources are available to the Executive Council a study should be made of each Trust Fund to establish its proper classification (i.e., donor restricted or Council designated).

#### RECOMMENDATION 2:

*Consider upgrading the field audit function by assigning an experienced auditor to be in charge.*

This individual should be assigned the responsibility (a) to monitor the receipt and follow-up of field audit reports (both internal and external) for missionary districts, dioceses, other church organizations and nonchurch organizations receiving significant grants from the Society and (b) to formalize procedures for execution and review of internal audits which are requested by Society supported missionary districts and dioceses.

#### RECOMMENDATION 3:

*Adopt more formalized internal audit working paper documentation and reports.*

At the completion of his examination of a department or a function, the internal auditor should issue a formal written report to senior management indicating the scope of his work, results of his tests and recommendations for improvement.

#### RECOMMENDATION 4:

*Strengthen operating procedures in the EDP area.*

Improvements to be considered include (a) instituting the use of a batch transmittal document, (b) reducing the potential fire hazard in the EDP room by separate storage of the data processing cards and (c) obtaining business interruption insurance.

#### RECOMMENDATION 5:

*Consider adopting a business ethics policy.*

In view of the widespread attention presently being given to ethics in business transactions, many businesses are considering adoption of a formal policy statement on this matter. A copy of our firm's memorandum on this subject was previously furnished to the Society's Treasurer. We would be pleased to furnish additional copies if requested.