

A SYNOPTIC ANALYSIS OF THE GUILD FINANCIAL OPERATIONS

Introduction

This financial scrutiny seeks to demonstrate an analysis of the financial operations of the guild with the intention to outline the hidden gravity of the financial challenges the guild is to face in the near future. With a budgetary eye, the guild MUST look at the income and expenditure sources and patterns, and our recent trends in this regard. This will sketch out a skeleton of the sustainable future of the guild so that the guild should decide if a distinct turnaround strategy is necessary.

Current operational processes

Currently the guild operates with the presumption that there are enough funds to financially cover all the aspirations of the guild. For example, PEXCO meetings are fully covered (accommodation, catering and traveling) by the province, and these amount to anything between R20'000 and R40'000 per meeting.

For PCMs, the province covers the venue / accommodation while host diocese covers catering. The provincial conferences are mainly funded by the province, with some insignificant portion paid for by the hosting diocese. We look no further than the last conference to see how this will cost in 2017.

Income sources of the guild

The guild depends mainly on conference fundraising for a substantial income generating activity. This happens once every three years, and in fact we have witnessed a decline of these amounts over the last 3 conferences

The other income is the annual subscriptions from member dioceses. Even though subs were increased to R50 in 2011, the inflows still decreased by R21'000 in between 2013 and 2014. The other income component is APPEALS for which cash flows have also decrease by R'7000 between 2012 and 2014, from R18'000 to R11'000.

Expenditure patterns

Spending in the guild has always been focussed more on meetings and traveling while a small percentage is spent on 'core-business' and related activities. On average, R51'000 is spent on executive expenditure in the years outside provincial conference.

The outlook of the guild at macro level looks even worse. In one year with two PCMs and two PXCO meetings, the guild as a whole spends well over R600'000 on these meetings. PEXCO is spending an average R50'000 per year on 2 PCMs, and each of our dioceses spending an average R30'000 per year.

This expenditure pattern has been escalating at a rapid rate over the last few years, and one wonders if this guild will still be in existence in the next 15 to 20 years.

Sustainability and future outlook

This brings us to the sustainable development of our beloved guild. Our church has a proud history of structural maturity and proper administrative and financial systems. All the organisations bear a

resemblance to the mother church – hence our structures are bigger and better than all other churches and denominations.

However, current leaders have to ponder on the question of whether the next generation will still enjoy the fulfilment and fellowship that this current and previous generation enjoy. And more importantly what do we (as current leaders) do to ensure that the guild will develop ‘sustainably’ beyond our active existence.

The following questions should be asked and addressed emphatically;

- a. Will there be money to hold these provincial conferences?
- b. Will the dioceses be able to travel to PCM, or will they opt to use their funds for other pressing ‘core-business-based’ needs?
- c. Will PEXCO still be able to meet and lead the guild, will there be a provincial executive at the first place?
- d. What should be done now to ensure that the answer to the above, **YES?**

The future of the **Provincial Conference** and the next few **Council Meetings** is looking desolate to say the least. One has to consider that the last conference in 2014 cost the guild almost **R400’000**, whereas the conference related receipts only amounted to **R135’000**. Clearly, something drastic has to happen, lest we don’t even get to 2017 where such major decisions should be made.

Possible actions

The guild is clearly not in the same financial health it was a decade ago. Our actions have to complement and counter this challenge immediately. The following possible actions and more could be considered;

- a. Raise more income and spend less. Easier said than done.
- b. Consider restructuring our operational financial systems.
- c. Constitutional structures may have to be re-configured. An attempt to do more with less should be executed.

Conclusion

Our main income hardly makes **R100’000** per year while our main expenditure has exceeded this amount. It must be re-iterated that the main point of this critical analysis is to warn council that **drastic measures have to be implemented without delay**, if we are to get to 2017 Provincial Conference and beyond.

Observation of;

PEXCO