



BAPTIST PRESS

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September 19, 1973

Insurance Draft Refunds \$50,000 to Indiana Baptists

INDIANAPOLIS, Ind. (BP)--The State Convention of Baptists in Indiana, which lost more than \$84,000 during the 1967-72 period because of the alleged "mishandling of funds" by a former convention bookkeeper, has recovered \$50,000 of that amount from the Insurance Company of North America.

The settlement was the maximum under the fidelity bond insurance policy carried by the state convention.

Indiana Executive Secretary E. Harmon Moore first discovered evidence of neglected financial records on Aug. 29, 1972, according to a report in the Indiana Baptist, the convention's statewide news publication.

Auditors set the total loss at \$84,199.94, not including \$11,350 in auditor's fees to reconstruct 1971 and 1972 bookkeeping records which had not been maintained or could not be located.

The \$50,000 bank draft issued by the Insurance Company of North America listed the "claimant" as "Isolotte Sego," according to the Indiana Baptist, and noted that the payment was for "mishandling of funds."

Mrs. Sego first joined the Indiana convention staff as a secretary in February, 1961, and was a bookkeeper when Moore terminated her employment on Sept. 29, 1972, because of "extremely poor performance related to 1971 records."

The 1971 audit from reconstructed records, presented to a called meeting of the Indiana convention's executive board on Oct. 31, 1972, listed \$14,510 as "undocumented disbursements."

The 1972 audit, plus subsequent investigation of all records by the auditor, the convention staff and M.M. Johnson Claim Service (retained by the insurance company) established the \$84,199.94 figure.

Joe Ouelette of the M.M. Johnson Claim Service said the insurance company will make a claim with the attorney representing Mrs. Sego for the total loss to the state convention, not just the recovery of the insurance company's loss of \$50,000. The insurance policy which covered the loss specifies that the state convention must cooperate with the insurance company in efforts to recover the loss, the Indiana Baptist said.

Moore said the insurance company has "subrogation rights" for the first \$50,000 that might be recovered. Anything above the \$50,000 will go to the state convention.

**\$37 Million SBC Budget
Proposed for 1974-75**

NASHVILLE (BP)--The Executive Committee of the Southern Baptist Convention set a record Cooperative Program unified budget goal for 1974-75, approved a subsidiary corporation for one of its agencies, "postponed indefinitely" a study on a SBC-sponsored travel service and approved "image magnification" for the 1974 convention in Dallas.

The 64-member body, which operates SBC business between annual sessions, also heard a challenge from SBC President Owen Cooper during the three-day meeting here.

The Executive Committee will recommend to the 1974 meeting of the Southern Baptist Convention a \$37 million 1974-75 Cooperative Program goal, a \$2 million increase over the current year's total budget, including operating and capital needs.

Porter Routh, the Executive Committee's executive secretary-treasurer, announced that total operating and capital needs goal for 1973 has been passed by some \$250,000 as of Sept. 19. The fiscal year closes Sept. 30.

The Executive Committee voted to distribute the advance to SBC agencies proportionate to the operating allocations approved by the Southern Baptist Convention for the 1972-73 budget year.

The Home Mission Board, which already has the authority to buy and sell church bonds, won approval to establish a subsidiary corporation to be of greater assistance to growing churches which require bond sales for new buildings.

Permission was granted so the Home Mission Board could isolate that function from the rest of its operation to facilitate relationships with the Securities and Exchange Commission.

The non-profit corporation would secure a broker-dealer license from the Securities and Exchange Commission to sell securities (church bonds), which would be purchased from churches.

Purchase limit would be 25 per cent of a church's bond issue (not to exceed \$25,000 per church) and \$10 million in total purchases, of which 10 per cent liability would be guaranteed.

Robert H. Kilgore, who will head the corporation for the Home Mission Board, said it would major on counseling churches on the pitfalls of bond transaction and would complement efforts of state conventions involved in purchase and sale of church bonds.

The Executive Committee "postponed indefinitely" a suggestion by the SBC Stewardship Commission to set up an SBC tour service to help save money for Baptist travelers and serve as a vehicle for personalizing use of Cooperative Program dollars abroad.

Staff of the Executive Committee was authorized to work out arrangements for an "image magnification system," a projection on large screens through closed circuit television, for the June, 1974, meeting of the SBC in Dallas. Some 20,000 are expected to attend in an auditorium 300 feet by 600 feet.

Rental cost for the equipment, in the range of \$30,000, will be paid for by an offering on Wednesday and Thursday nights of the meeting, with any balance coming from the convention's operating reserve.

In other actions, the Executive Committee approved its own 1973-74 operating budget of \$479,000, a \$59,000 increase over 1972-73. Also granted were requests for a six per cent cost of living adjustment in the salary schedule of Executive Committee staff members and a two-cent per mile increase in travel expense for use of personal cars of staffers from 10 cents to 12 cents.

A request from the Radio and Television Commission to transfer \$150,000 from its current capital needs allocation to its operating budget to finance a new television series was rejected.

Responding to a motion referred to it for study from the SBC annual meeting in Portland, the Executive Committee turned down funding for a motion picture and television advisory service "in view of present demands being made on the Cooperative Program."

The Executive Committee accepted a report from its program committee that deliberation on Southern Baptist Theological Seminary's proposed Boyce School of Christian Ministry had been dropped from the agenda at the request of the seminary.

The Boyce School, proposed to train ministers without college degrees, is expected to be brought by seminary trustees directly to the Dallas convention.

Southern Seminary President Duke McCall told the Executive Committee that the seminary will be guided by any forthcoming Executive Committee policy on non-degree Bible schools in Southern Baptist life.

Currently the Executive Committee's institutional workgroup is working on a request from the Florida Baptist Convention for a study on the non-degree student situation, with the view of financial aid to Florida Baptist Bible Institute.

The presidents of the six SBC seminaries were asked to bring a report in February indicating what they are now doing for non-degree students and what they might be able to do.

The Executive Committee's Committee of 15, a structure study group, is also reviewing the non-degree student problem.

Two students from a six-student college and seminary contingent of observers invited to the three-day meeting told the committee that the experience had broadened their understanding and appreciation of Southern Baptist Convention procedures.

One of them, David Lewis, a student at Midwestern Baptist Theological Seminary, Kansas City, suggested that the committee consider allowing student participants to vote and include more women and minority representatives in its membership.

Departing briefly from consideration of huge budgets and complicated business procedures, Routh asked Executive Committee members to pause to contribute personally to an offering for a girl--"a product of our mission work in Nigeria"--who needed to raise \$200 to afford tuition.

"We've been talking about thousands of dollars," he said. "I want to do something to help a human being." The offering raised \$360.06--\$160.06 of which will be held for a future worthy cause, Routh said.

A motion from the SBC meeting in Portland regarding the problems of the aging was referred to the SBC Inter-agency Council, with the request that it do a study with special reference to program actions to be taken in the future.

The Executive Committee also received a report from its program committee commending work in seven state conventions now operating counseling services for pastors, church staffers and denominational workers.

The subcommittee noted that "establishment of an office of church-minister relations and counseling on a (Southern Baptist) Convention level at this time would not be the wisest course of action."

But it added, "We do suggest these services be offered and their ministry be strengthened through presently available and functioning facilities and agencies."

The committee passed four resolutions recognizing service of two resigning state Baptist newspapers editors, Donald T. McGregor of the California Baptist, Fresno, and James O. Duncan of the Capital Baptist, Washington, and two executive secretaries, W. Douglas Hudgens, who is retiring from Mississippi's top executive spot, and Earl O. Harding of Missouri, who died August 12.

Two Executive Committee staffers, Leonard E. Hill, managing editor of the Baptist Program, and Tommy Grubbs, general service superintendent of the SBC building, were honored for 15 and 10 years' service respectively.