

SYNOD RESERVES, FUNDS & TRUSTS

Because we are a Synod that spans more than one province, due to the presence of the Western Han Ca Presbytery, and because we are a province that spans more than one synod due to the presence of the Synod of Alberta and Northern BC, care will have to be taken in allocating requests for money. We have to abide by the stipulations of the bequests.

Lending Fund

This Fund is used to make small loans and grants to congregations in B C. Several gifts and bequests were made to Synod and allocated to the Fund

Memorandum of Association

1. The name of the Fund is the Presbyterian Lending Fund
2. The office of the Fund will be located in British Columbia.
3. The object for which the Fund is formed is :
 - To receive gifts, donations and bequests
 - To make loans to congregations, or groups or societies directly affiliated with and responsible to the Synod of BC, The Presbyterian Church in Canada, a Presbytery thereof, or a congregation thereof within BC.
 - To invest funds at the discretion of the directors.
 - To engage employees or agents and to enter into such agreements or undertakings as the Fund may deem necessary or convenient for the purpose of carrying out any object for which it was formed.

Guidelines for use and allocations

1. For capital expenditure to assist extension and expanding congregations with outreach and growth potential.
2. To provide loans at low rates of interest (not to exceed Bank of Canada prime).
3. Repayment of the principal is to be outlined in the Memorandum of Agreement between the Synod of B.C. and the borrower. This may be postponed at the discretion of the Lending Fund Committee of the Synod of B.C. in order to assist the orderly repayment of outstanding other loans.
4. Interest shall be paid annually as agreed in the Memorandum of Agreement.
5. Loans outstanding shall be reviewed annually by the Synod.
6. All applications shall be made by the congregations in the manner directed and shall be approved by the respective Presbytery before submission to the Synod.
7. The Synod or its committee shall consider and judge each application on its own merit.
8. The amount of loan from this Fund shall not exceed 25% of the total amount of loans arranged by the congregation from other sources.
9. The congregation shall raise a minimum of one dollar for each dollar loaned from this Fund.
10. A maximum of \$20,000 shall be outstanding to a specific congregation at any given time.
11. In unique circumstances and projects of the Synod or Presbytery, a special loan may be considered from this Fund.

Administration of Fund

1. The Fund shall be administered by the Executive Committee of the Synod. Its annual audited statement shall be part of the Synod of B. C.'s annual audited Statements.
2. The Lending Fund Committee shall be the Executive Committee of the Synod of B. C. or as the Synod of BC. shall appoint. Its duty will be:-
 - a) To receive and consider all loan applications
 - b) To inform the Administrator of the Fund of approved loans.
 - c) To review annually all outstanding loans
 - d) To provide an annual report to the Synod of B. C. in respect of the operation of the Fund.
3. The Administrator of the Fund will be the Treasurer or Financial Manager of the Synod of B. C.

Jack Smith Fund

The Fund was left to the Presbyterian Church in Canada for the purposes of extending the Church's work in the Province of BC. It is administered by the Trustee Board of the Church.

Present Guidelines

1. That the bequest from the John (Jack) Smith estate be administered by The Presbyterian Church in Canada with the interest and/or principal being expended on recommendation of the Synod of BC.
2. That the funds of the Smith bequest be considered supplementary to and in no way a replacement of or substitute for the normal grants of Canada Ministries.
3. Notwithstanding the right of the Synod to use principal from the Smith bequest, except under special need, that interest monies only shall be used towards the projects of the Synod
4. That the principal could only be expended on the approval of the Synod of BC
5. That projects and requests for assistance from the Smith bequest for new work or new charges within the Synod of BC shall normally be channeled through the Synod Executive to the Synod. The Synod Executive shall have power to issue on expenditures of interest only, to a limit of \$10,000 per request, between Synods.
6. That the budget costs for any project or ministry shall be shared proportionally by the sponsoring body and the Smith Bequest Funds, normally on the basis of a matching grant.
7. That funding from the Smith Bequest shall normally be provided to any single project for no more than a three year period.
8. That projects applying for funding from the Smith Bequest should present the Synod Executive with a carefully developed program mandate and goal descriptions, budget projections and well prepared processes for the supervision, evaluation and follow-up report of the program.
9. That all applications for funding from the Smith Bequest be presented for the Synod's approval through the Synod Executive.

Additionally ten percent of the interest monies generated by the Smith Bequest is to be reinvested into the Fund and any monies not used in a given year is to be automatically added to the capital unless agreement by the Synod has been given to hold the interest in reserve for some specific project.

As a Synod, we do not actually control the guidelines for this Fund, as it wholly managed by the Trustee Board of The Presbyterian Church in Canada. Although not bound by these, indications are that they would try and work within the guidelines, detailed above, which were established at the 1991 Synod meeting. They are not however bound by these.

All requests for funds have to be made to the Trustee Board.

GENERAL RESERVE

This Reserve is to be maintained for unforeseen or Special Expenses and is not intended to provide continuing support for any project nor to supplement an unbalanced budget. It is to receive the Investment income, earned by the portion of the Lending Fund, which is not lent. Drawing on the General Reserve requires a motion of the Executive Committee.

Fred St Denis Monies

These monies did not actually form part of the Rev St Denis estate but were excess funds that Mrs St Denis released from the money she inherited. The original will had a conditional clause, which would have left money to the Presbyterian Church, had Mrs St Denis predeceased him. This did not happen, but the conditions Mrs St Denis attached to the monies reflect the conditions attached in the original will.

The terms of the gift are that these monies be used by the Synod **to help financially distressed congregations in BC**. In clarification, Mrs St Denis amended this to **any need of financial help**. She further suggested that we use the financial gift as need arises in the Synod churches.

Synod's understanding, from her comments regarding interest to be earned on the fund, is that the gift was intended as monies to be actively used, including capital. It was not the intention that only the interest be used. She asks us to be thoughtful and prayerful in any decisions we make.

GUIDELINES

1. In normal circumstances, Grants should match the cash input of the Congregation involved.
2. Grants should be limited to \$10,000 per Congregation unless there are special factors to consider.
3. Congregations must show a reasonable ability to survive once assistance has been given.

Janet Thorburn Estate

The terms of the will are that the monies be used for **the new church development of small churches of the Presbyterian Church in Canada throughout the Province of British Columbia**.

Unlike the Jack Smith Bequest, the governing document - although leaving the money to the PCC - states that *"the receipt of the Treasurer of the British Columbia Synod in Canada shall be sufficient discharge to my Trustee."* This was interpreted as a desire to leave the monies under the management of the BC Synod.

GUIDELINES

1. The Trust Capital be considered to be \$120,000
2. Grants may be made from accumulated investment earnings, which shall remain available from year to year and will not be capitalized
3. Total grants from all sources should not exceed 70% of the total budget for the project.
4. The level of grant should be considered according to the input of the Congregation in cash and labour.
5. Grants should be limited to \$10,000 unless there are special factors to consider.

Jean Woodrow Estate

The solicitor's letter accompanying these funds stated that they were to be used "for the purpose of providing assistance to a needy church or churches" within Synod bounds "as the members of the Synod of B C deem advisable."

GUIDELINES

1. Congregations must show a reasonable ability to survive once assistance has been given.
2. Grants are normally to be given for capital purposes and not for on-going funding unless it can be shown that a one time grant will ensure survival.
3. There is no stipulation regarding cash input by the Congregation but the level of their efforts to carry on will be a consideration in assessing the level of Grant.
4. With limited funds available, grants should not exceed \$10,000
5. Consideration should be given to mixing Grants and Loans.