

The Waterloo-Wellington Presbytery reDevelopment Assistance Fund

Terms of Reference February 23, 2022

Purpose

The Waterloo-Wellington Presbytery reDevelopment Assistance Fund within the Development Fund makes loans available to congregations for capital projects including purchase or lease of land or real estate, building extension and/or improvement. This Terms of Reference document outlines the process for application, approval and repayment of loans from the reDevelopment Assistance Fund. A grant or a partial grant could also be provided as deemed appropriate through Presbytery approval based on a recommendation from a Presbytery member.

Source of Funds

At the beginning of January 2022, the Development Fund was subdivided into four component Funds which includes the reDevelopment Assistance Fund. 50% of the Development Fund and 50% from the net proceeds from the sale of future Presbytery assets and will be transferred into the reDevelopment Assistance Fund as per Recommendations approved in the minutes of the Nov. 9, 2021 WW Presbytery Zoom Meeting.

Existing loans to congregations within the Presbytery which were outstanding prior to January 2022 will become part of the new reDevelopment Fund. Money received from the repayment of these loans and any new loans will be credited to the reDevelopment Fund.

Administration

The supervision of the Fund rests in the hands of the Business Committee of Presbytery, which will recommend to the Presbytery any use of an expense from the Fund. *Team suggests the following wording based on the Nov. 9th Presbytery meeting....The loan application process will be administered by the Property and Finance Team, with oversight by the Business Committee, of the Waterloo-Wellington Presbytery. The Team can then review and assess loan applications and recommend action to Business Committee.* All loan requests must have the support of the congregation's Session. Capital projects must be for properties owned by the Presbytery.

The Presbytery has the right to grant or refuse requests based on:

- 1) terms of the Fund
- 2) priorities of the Presbytery of Waterloo-Wellington
- 3) availability of funds
- 4) discernment of the Property and Finance Team and Business Committee

Conditions of Disbursement

Loans will be interest free and repayable in bi-annual payments of **10% and a fixed repayable date no earlier than 5 years and no later than 10 years for the date of Presbytery approval. No loan shall be granted that exceeds the total assets of the congregation.** *Team suggests rewording to the following based on Presbytery meeting of March 8th...Loans will be interest free and repayable in annual or bi-annual payments of 10% on a fixed date, normally over a 5 year term, but no longer than 10 years. Payment schedule will be outlined in the loan contract. Negotiations between the congregation, the Property and Finance Team and the Congregational*

Response Team will be required for the designation of a term greater than 5 years. During these negotiations, information including the amount of the loan, financial documents and the development of a repayment plan will be the basis for the decision on the terms' end date. Should the loan not be paid in full by the designated end date of the term, the Property and Finance Team and the Congregational Response Team will meet with the congregation to update the repayment plan with the goal of full payment of the loan. Any loan request exceeding 50% of total church assets (which excludes the church property) will require dialogue with the Property and Finance Team prior to submitting the formal loan request.

The loan application must contain the documents listed in section A and will be reviewed based on the evaluation criteria listed in section B. A checklist for the application documents can be found in Appendix A. This information is based on the Finance and Property Committee Procedures document dated November 10, 2020.

A. Loan Application Guidelines

In Requesting a loan from Presbytery of Waterloo-Wellington, each **congregation must include** the following documents:

- 1) A loan request letter including total project costs and amount requested. This includes extract of Session minutes and (if appropriate) congregation meeting minutes approving the project.
- 2) **Financial Statements for the past two years: This includes an Income Statement and Statement of Financial Position, including all accounts identifying restricted or reserve funds.** *Team suggests rewording to...Income and Expense Statement, along with Balance Sheet for latest fiscal year end, with highlights noted for restricted or reserve funds.*
- 3) **Current year's YTD to the month end before the application date, financial statements, including Income, Expenses and Current financial position (Assets and Liabilities)** *Team suggests the following wording....Current year data to the month end before the application date, including Income and Expense Statement along with Balance Sheet.*
- 4) Projection of Current and Long-Range Financial needs at least through the payback period of the loan.
- 5) A written report, outlining projected Goals and Vision of the congregation, and showing how the purpose of the request relates to the goal(s).
- 6) Building related applications will include drawings or sketches with an explanation of changes.
- 7) Have any other grant or loans been received or applied for or being planned to apply for?
- 8) Specific standing committees may request additional information from a congregation, including a financial viability review and analysis.

B. Review Evaluation Criteria

- 1) **Does the current need seem realistic in terms of current goals and visions** *Team recommends the following wording ... Does the current request seem realistic in terms of current goals and forecasted income.... since forecasted income can be evaluated more readily by the Team.*
- 2) **Do the Long-range needs seem realistic in terms of the overall financial reality of past years** *Team recommends the following wording...Do the Long-range needs seem realistic versus reality of past years.*
- 3) **Do the projected goals and vision of the congregation warrant an investment of any magnitude** *Team suggests the following based on Presbytery meeting of March 8th...Do the projected goals and vision of the congregation warrant an investment of the amount requested? In what ways is the congregation pointing to and bearing witness to the reign of God revealed in*

Jesus Christ? Are people who had little or no background in church attendance meeting Jesus through the life of this congregation? The Property and Finance Team will work with the Congregational Response Team to assess this criteria.

4) **Do the current assets of the Presbytery allow for the requested amounts in the big picture and in view of requests from other congregations. Only those requests that the committee is aware of can be taken into account.** *Team recommends using the following wording...Does the present financial position of Presbytery allow for approval of the pending loan requests.*

5) Do amounts requested fall under specific budgets set by Presbytery. **The Standing Orders for specific funds do not for the most part restrict application amounts but use of the fund will be restricted to the stated uses. Any loans not used for the specific use applied for, must be repaid within twelve months of being issued.** *Team suggests deleting the bolded section.*

6) **Does the congregation have unused funds of its own. The Finance and Property Committee will only consider approving loans to congregations to cover Cash Flow issues when they have used their funds, or borrowed from them or against them if possible.** *Team suggests using the following wording. Does the congregation have unused funds of its own. The Property and Finance Team will only consider approving loans when congregations have used their own undesignated funds.*

7) Specific standing committees may use additional evaluation criteria, specific to the Funds Terms of Reference and eligibility criteria.

Definition from PCC: Designated gifts must be accounted from gifts given to the congregation for its general purposes such as money dropped on the plate on Sunday morning. Restricted funds must be used for the purposes specified, or else the donor (or the executor or an heir of a deceased donor) can take you to court, and claim the condition under which the gift or bequest was given, was not complied with, even years later. An example of a restricted fund is a gift of \$15,000 that is to be used toward the purchase of an organ. Documentation for this restriction must be maintained in the congregation's records. Even if the target amount for the organ is not reached the funds cannot be used for other purposes. *Team suggests replacing the bolded wording withDesignated gifts must be segregated from gifts given to the congregation for its general purposes, such as plate offerings. Restricted funds must be used for the purposes specified, or the donor (or the executor or an heir of a deceased donor) can take the church to court, and claim the condition under which the gift or bequest was given, was not complied with, even years later. An example of a restricted fund is a gift of \$15,000 that is to be used toward the purchase of an organ. Documentation for this restriction must be maintained in the congregation's records. Even if the target amount for the organ is not reached the funds cannot be used for other purposes.*

Distribution of Funds

Once approved, the Property and Finance Team will communicate with the congregation that applied for the loan. The Presbytery Treasurer will forward the funds requested by the congregation.

Expectations after Receiving a Loan

At the conclusion of the project (construction or other), the congregation will provide a report to the Property and Finance Team indicating the project has been completed.

Evaluation of the reDevelopment Fund

The Presbytery of Waterloo-Wellington will conduct a review of the Fund and its terms of reference on the third anniversary of the Fund or as needed. Since the Fund began in ____ of 2022, the review will take place in (same month) of 2025.

Appendix A

Waterloo Wellington Presbytery reDevelopment Loan Application Check List

Congregation name _____

Application Date _____

- 1 ____ A loan request letter, including:
____ Total project costs and amount requested.
____ Extract of Session minutes and (if appropriate) congregation meeting minutes approving the project.
- 2 ____ **Financial Statements for the past two years**
____ **Income Statement**
____ **Statement of Financial Position**
____ **including all accounts identifying restricted or reserve funds. See definition**
Team suggests the following wording...
2 ____ *Fiscal Year End Financial Statement for the past two years*
____ *Income and Expense Statement*
____ *Balance Sheet*
____ *Details of all accounts identifying restricted or reserve funds.*
- 3 ____ Current year's YTD to the month end before the application date
____ financial statements
- including Income, Expenses and Current financial position (Assets and Liabilities)
- 4 ____ Projection of Current and Long-Range Financial needs at least through the payback period of the loan.
- 5 ____ A written report, outlining projected Goals and Vision of the congregation.
____ Include how the purpose of the request relates to the goal(s).
- 6 ____ **Building related applications will include:**
____ **drawing or sketches**
____ **an explanation of proposed changes.**
Team suggests the following wording...
6 ____ *Building expansion related applications will include:*
____ *drawing or sketches, details of Contractor, Engineering Firm, Project Manager*
____ *an explanation of proposed changes*
- 7 ____ A List all other all other loans / grants or funding applied for or proposed sources for other funds.
- 8 ____ **Do amounts requested fall under specific budgets set by the Presbytery?**
Provide the fund name and standing order reference. Suggest that this is redundant since this Terms of Reference is only for the reDevelopment Fund.
- 9 ____ Additional items as requested.

The Waterloo-Wellington Presbytery reEmergency Financing and Repair Fund Terms of Reference February 23, 2022

Purpose

The Waterloo-Wellington Presbytery reEmergency Financing and Repair Fund within the Development Fund makes loans available to congregations for emergency equipment replacement or building repairs and revenue shortfalls. A grant or a partial grant could also be provided as deemed appropriate through Presbytery approval based on a recommendation from a Presbytery member. A maximum of \$50,000 will be allocated to each reEmergency loan.

Source of Funds

At the beginning of January 2022, the Development Fund was subdivided into four component Funds which includes the reEmergency Financing and Repair Fund. 20% of the Development Fund and 20% from the net proceeds from the sale of future Presbytery assets will be transferred into the reEmergency Financing and Repair Fund as per Recommendations approved in the minutes of the Nov. 9, 2021 WW Presbytery Zoom Meeting.

Money from the repayment of new reEmergency short term loans will be credited to the reEmergency Fund.

Administration

The supervision of the Fund rests in the hands of the Business Committee of the Presbytery, which will recommend to the Presbytery any use of an expense from the Fund. *Suggest the following wording based on the Nov. 9th Presbytery meeting....The loan application process will be administered by the Property and Finance Team, with oversight by the Business Committee of the Waterloo-Wellington Presbytery. The Property and Finance Team will review and assess loan applications and recommend action to Business Committee. All loan requests must have the support of the congregation's Session. Funds must be for properties owned by the Presbytery.*

The Presbytery has the right to grant or refuse requests based on:

- 1) terms of the Fund
- 2) priorities of the Presbytery of Waterloo-Wellington
- 3) availability of funds
- 4) discernment of the Property and Finance Team and Business Committee

Conditions of Disbursement

Essential Emergency Repairs are those which are considered to impact the health or safety of those using the building, place the building or property at risk, violations of building code, or requiring quick attention in order to avoid the occurrence of additional damages. *Team suggests the following wording...Essential Emergency Repairs are those which are considered to impact the health, and or safety requirements of those using the building, place the building or property at risk, or violates building codes, and therefore requires immediate attention in order to avoid additional damages and or costs.*

Congregational emergency funding is restricted to essential, non-deferrable expenses including, if appropriate:

-wages and other employment expenses for the minister and other essential staff ... *Team suggests the following wording...staff wages and other employment expenses. (rationale-The Minister's stipend must be paid as a priority and staff wages follow afterwards. Assistance could be applied for paying staff other than the Minister.)*
-rent or lease payments for real estate and essential equipment
-payments of insurance and other business purposes, e.g. telephone and utilities
-payments for regularly scheduled debt payments; except Presbytery loans *Team suggests the following wording...Payments for regularly scheduled obligations*
-payments under agreements necessary to maintain the property, licenses, or permissions necessary to operate

Loans will cover repairs partially or not covered by insurance. -*Team suggests the following statement...to perhaps cover repairs such as those not covered by insurance*

The repayment of loans will be for a period of **3-5 years** *Team suggests changing this to "within 5 years" since some congregations will be able to repay the loan quicker than in 3 years time.*
Repayment of emergency financial assistance will take place within one year, with a plan to reduce the expense or with the help of the Congregational Response Team, develop a plan for the restructuring of the congregation. *Team suggests the following wording...Repayment of emergency financial assistance will commence within one year, with a plan to reduce the loan with the assistance of the Congregational Response Team, develop a plan for the restructuring of the congregation.* Emergency funding for essential congregational expenses will be provided, where the congregation does not have access to a line of credit or have the necessary amount available in other church funds.

Fifty per cent of all loans for repairs or equipment replacement costs will be funded by the congregation.

Team suggests adding the following statement...In the case of small congregations, the Property and Finance Team will consider reviewing loan requests where the congregation pays 50% of the first \$5,000, 25% of the next \$10,000 and 10% of the residue of funds required.

The loan application must contain the documents listed in section A and will be reviewed based on the evaluation criteria listed in section B. A checklist for the application documents can be found in Appendix A. This information is based on the Finance and Property Committee Procedures document dated November 10, 2020.

A. Loan Application Guidelines

In Requesting a loan from Presbytery of Waterloo-Wellington, each congregation **must include** the following documents:

- 1) A loan request letter including total project costs and amount requested. This includes extract of Session minutes and (if appropriate) congregation meeting minutes approving the project.
- 2) **Current year's YTD to the month end before the application date, financial statements, including Income, Expenses and Current financial position (Assets and Liabilities)** *Team suggests using the following wording...Income and Expense Statement, along with Balance Sheet for latest fiscal year end, with highlights noted for restricted or reserve funds.*

- 3) Projection of Current and Long-Range Financial needs at least through the payback period of the loan.
- 4) Building related applications will include drawings or sketches with an explanation of changes, if applicable.
- 5) Have any other grant or loans been received or applied for or being planned to apply for?
- 6) Specific standing committees may use additional information from a congregation, including a financial viability review and analysis.

B. Review Evaluation Criteria to be considered

- 1) **Does the current need seem realistic in terms of current goals and vision** *Team recommends new wording to ...Does the current request seem realistic in terms of current goals and forecasted income*
- 2) **Do the Long-range needs seem realistic in terms of the overall financial reality of past years** *Team suggests the following wording...Do the Long-range needs seem realistic versus reality of past years*
- 3) **Do the projected goals and vision of the congregation warrant an investment of any magnitude** *Team suggests the following based on Presbytery meeting of March 8th...Do the projected goals and vision of the congregation warrant an investment of the amount requested? In what ways is the congregation pointing to and bearing witness to the reign of God revealed in Jesus Christ? Are people who had little or no background in church attendance meeting Jesus through the life of this congregation? The Property and Finance Team will work with the Congregational Response Team to assess this criteria.*
- 4) **Do the current assets of the Presbytery allow for the requested amounts in the big picture and in view of requests from other congregations. Only those requests that the committee is aware of can be taken into account.** *Team suggests the following wording. Does the present financial position of Presbytery allow for approval of the pending loan requests.*
- 5) Do amounts requested fall under specific budgets set by Presbytery. **The Standing Orders for specific funds do not for the most part restrict application amounts but use of the fund will be restricted to the stated uses. Any loans not used for the specific use applied for, must be repaid within twelve months of being issued.** *Team suggests deleting the bolded section.*
- 6) **Does the congregation have unused funds of its own. The Finance and Property Committee will only consider approving loans to congregations to cover Cash Flow issues when they have used their funds, or borrowed from them or against them if possible.** *Teams suggests the following wording...Does the congregation have unused funds of its own. The Property and Finance Team will only consider approving loans when congregations have used their own undesignated funds.*
- 7) Specific standing committees may use additional evaluation criteria, **specific to the funds Terms of Reference and eligibility criteria** *Team suggests deleting the bolded section*

Definition from PCC: Designated gifts must be accounted from gifts given to the congregation for its general purposes such as money dropped on the plate on Sunday morning. **Restricted funds must be used for the purposes specified, or else the donor (or the executor or an heir of a deceased donor) can take you to court, and claim the condition under which the gift or bequest was given, was not complied with, even years later.** *Team suggests using the following wording...Restricted funds must be used for the purposes specified, or the donor (or the executor or an heir of a deceased donor) can take the church to court and claim the condition under which the gift or bequest was given, was not complied with, even years later.* An example of a restricted fund is a gift of \$15,000 that is to be used toward the purchase of an organ.

Documentation for this restriction must be maintained in the congregation's records. Even if the target amount for the organ is not reached the funds cannot be used for other purposes.

Distribution of Funds

Once approved, the Property and Finance Team will communicate with the congregation that applied for the loan. The Presbytery Treasurer will forward the funds requested by the congregation.

Expectations after Receiving a Loan

At the conclusion of the issue requiring funds, the congregation will provide a report to the Property and Finance Team indicating the issue has been resolved.

Evaluation of the reEmergency Fund

The Presbytery of Waterloo-Wellington will conduct a review of the Fund and its terms of reference on the third anniversary of the Fund, or as needed. Since the Fund began in ____2022, the next review will take place in (same month) 2025.

Appendix A

Waterloo Wellington Presbytery reEmergency Loan Application Check List

Congregation name _____

Application Date _____

- 1 ____ A loan request letter, including:
____ Total project costs and amount requested.
____ Extract of Session minutes and (if appropriate) congregation meeting minutes approving the project.
- 2 ____ Current year's YTD to the month end before the application date
____ financial statements
- including Income, Expenses and Current financial position (Assets and Liabilities)
- 3 ____ Projection of Current and Long-Range Financial needs at least through the payback period of the loan.
- 4 ____ If applicable, building related applications will include:
____ **drawing or sketches** ...*Team suggests adding...details of Contractor, Engineering Firm, Project Manager*
____ an explanation of proposed changes.
- 5 ____ A List all other all other loans / grants or funding applied for or proposed sources for other funds.
- 6 ____ **Do amounts requested fall under specific budgets set by the Presbytery?**
Provide the fund name and standing order reference. *Suggest that this is redundant since this Terms of Reference is only for the reEmergency Fund.*

7 ____ **Financial Statements for the past two years**

____ **Income Statement**

____ **Statement of Financial Position**

____ **Including all accounts identifying restricted or reserve funds. See definition**

Team suggests deleting as not necessary when dealing with emergency loans.

8 ____ **A written report, outlining projected Goals and Vision of the congregation.**

____ **Include how the purpose of the request relates to the goals(s)** *Team suggests deleting as not necessary when dealing with emergency loans*

9 ____ **Additional items as requested**

TERMS OF REFERENCE FOR

THE WATERLOO WELLINGTON MINISTRY Re-GENERATION FUND

Purpose

The Waterloo Wellington Re-Generation Fund within the Development Fund makes grants available to congregations and congregational leaders within The Presbytery of Waterloo Wellington to support initiatives which will help to revitalize and renew congregations to continue the ministry of Christ.

The fund will also support New Church Plants.

Preamble

The Latin phrase *semper reformanda* - usually translated "always reforming" - is the widely known slogan of the Reformed tradition.

We believe that reformation/renewal/revitalization in our lives and congregational life is driven by God's agenda as revealed in Scripture, not ours.

As a reformed church, we rely on the truth and inspiration of Scripture for God's guidance into the future - a future that we approach with wonder and anticipation, knowing God is with us.

Embarking on revitalization/renewal of congregational life, we don't believe that we can:

- *Manage or*
- *Organize or*
- *Manipulate* the congregation towards change

Revitalization/renewal is a ministry where we find rest in God who revitalizes/renews and builds the congregation and involves us in it. This premise relieves us of the tension created within us when we try to revitalize/renew and build the congregation and believe God only lends a hand. Renewal leads believers to see what God sees.

Questions asked when we embark on the renewal and revitalization journey:

- Who are we?
- Who is our neighbour?
- What breaks your heart?
- Why are we here in ... (name your location – town or city)?
- What is God calling us to be and do?
- What time are we in? (How does 2022 differ for example from 1972 or any other time in the past)
- Who do we say Jesus is?

"Where there is no vision, the people perish." (Proverbs 29:18)

Vision must start with someone, and that someone is often the minister.

Though ministers often take the initiative, the vision is refined and improved by others who come to share in the vision, expanding and developing it in ways impossible for ministers to achieve on their own.

What is the passion behind the project/renewal?

While it is true that without vision the people perish - it is also true that without passion vision becomes a management tool, a way to organize. Passion fuels the fire of renewal. We can teach skills; we can facilitate vision; we can't teach passion.

Source of Funds

An initial capital investment of \$630,000 will be set aside inside the Development Fund of the Presbytery with the interest on the investment to be used to provide grants.

30% of all future transfers to the Development Fund will be allocated to the Re-Generation Fund as additional income producing capital.

To ensure the availability of funds in the future, the fund will be based on an endowment model. An endowment fund invests the capital, and it remains invested, with the interest income earned distributed in the form of grants as per its terms of reference.

The treasurer will submit the available amount of interest for disbursement to the Renewal Team on a quarterly basis.

Should a portion of the interest income not be disbursed to congregations, it will be re-invested as further capital to maintain or increase future income.

Conditions of Disbursement

1. Congregational initiatives should try to be in line with the sentiments expressed in the preamble - *Questions asked when we embark on the renewal and revitalization journey*.
2. Congregations are encouraged to consult with Canadian Ministries and explore their New Beginnings programs (<https://presbyterian.ca/canadian-ministries/new-beginnings/>) and also to connect with Cyclical PCC <https://presbyterian.ca/cyclicalpcc/>. Congregations that are considering doing something new through the PCC might be well served by a coach or mentor to support them in the process.
3. Congregations can also connect with facilitators of their choice to assist in the renewal/revitalization initiative.
4. It is understood that projects funded by the Re-Generation Fund will contribute to the Presbytery's and the Denomination's understanding and experience of ministry and/or mission.
5. Initiatives must be linked to the life of a worshipping community
6. Initiatives should not come from an individual, but there should be a team in place to support and implement the project.
7. Applications for renewal projects ready to be implemented must be received annually by September 1.

8. Disbursement will be on a first come first serve basis, depending on the availability of funds, the recommendations of the Renewal Team, and, ultimately, the approval of Presbytery.
9. Implementation dates need to be available before the first grant will be available to the applicant congregation.
10. Costs associated with renewal projects will be considered for funding by the Renewal Team.
11. Applications retroactive to January 1, 2022 will also be considered up to November 1, 2022.
12. A grant can be terminated because of failure to implement the project specified in the application. In such a case, the funds are to be returned to the Re-Generation fund.
13. New Church plant applications can be submitted at any point during the year. The discernment process for a new church plant will take up much more time than a renewal or revitalization application of a local congregation.

Distribution of Funds

Once approved, 80% of the grant amount will be disbursed upon notice from the applicant that the project is ready to begin.

The remaining 20% of the grant amount will be disbursed upon receipt of a final report.

Expectations after Receiving a Grant

A report including a summary of the project and key insights that could be helpful to other congregations will be submitted to the Renewal Team within two months after the project has been completed.

This enables congregations' stories to be shared.

Administration

The grant application process will be administered by the Renewal Team on behalf of the Presbytery of Waterloo Wellington.

All grant requests must have been approved by the Session of a congregation in the Presbytery.

The Presbytery has the right to grant or refuse requests based on:

1. Terms of the fund
2. Priorities of the Presbytery of Waterloo Wellington
3. Viability of the congregation
3. Availability of funds
4. Discernment of the committee