

**PRESBYTERY de CRISTO**  
**ADMINISTRATION COMMITTEE**  
**HANDBOOK OF OPERATIONS**  
**FOR MEMBERS**

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## **PREFACE**

### ***PRESBYTERY de CRISTO*** ***INFORMATION***

#### **WELCOME**

de Cristo Presbytery is an interesting and exciting place in which to live and minister, combining breathtaking scenery with the challenges of growth and diversity. Our congregations are diverse, yet they seek always to be cooperative, accepting, and respectful of one another's cultures.

#### **HISTORY**

The Presbytery de Cristo is the successor to the mission and ministry of the Presbyterian Church that sent missionaries into the Southwest and Arizona Territory in the 1850s to minister to the Native American and Hispanic peoples. The Presbytery of Arizona was established in 1888 by the Synod of Colorado. In 1912, the year Arizona Territory became a state, Arizona also became a Synod and three presbyteries were created: Phoenix, Southern Arizona and Northern Arizona. In

1971-72, the United Presbyterian Church re-united and the Synod of the Southwest was formed, serving Arizona and New Mexico. Four presbyteries emerged: Presbyteries of Santa Fe, Sierra Blanca, de Cristo and Grand Canyon.

Beginning in 2014, the Presbytery of Grand Canyon and the Presbytery de Cristo share the same executive and administrative staff. The area served by our two presbyteries covers all of Arizona, plus parts of New Mexico and Utah. There are combined oversight committees for personnel and finance.

#### **MINISTRY**

de Cristo Presbytery has 28 churches. Our mission heritage and Southwestern location provide the Presbytery with a rich multi-cultural environment encompassing Anglo, Hispanic, Asian-American, African-American, Korean and Native American congregations. The Presbytery's churches serve small rural communities, major metropolitan areas, retirement and high technology areas as well as farming and ranching communities. A significant portion of the Presbytery's annual mission budget goes toward local church and presbytery

supported program aid.

### **MISSION GOALS AND OBJECTIVES**

Presbytery de Cristo's primary mission is to equip and encourage congregations and networks of congregations in their ministries. Our ministry structure moves Presbytery de Cristo from centralized to de-centralized decision-making, from permission-withholding to permission-giving, and from restricting the flow of information to making information as accessible as possible.

Each Presbytery Ministry has the authority to make its own covenant for functioning in community, consistent with the Scriptures and the constitution of the Presbyterian Church (USA).

Presbytery de Cristo is doctrinally, ideologically, ethnically, and geographically diverse. Jesus, the head of the church, in his extravagant love and grace, has held, knit, woven, built, forged, and bound us together as a church family. We are enriched, as well as challenged, by our differences.

### **PRESBYTERY VISION**

Within the context of this historic understanding of the mission of the universal church, as expressed in the Foundational Principles of the PCUSA, the Presbytery de Cristo recognizes that it exists in a unique time and place, characterized by the following:

- **We are a church in the Sunbelt and the desert Southwest;**
- **We are a church in an area that is growing in the age of its residents and in the racial/ethnic diversity of its residents;**
- **We are a church of the First World on the border of the Third World;**
- **We are a church of open spaces where some live in small, rural communities and where many live in large metropolitan areas;**
- **We are a church in need of spiritual renewal.**



## VALUES

**CHRIST-CENTERED:** We function under the authority of the triune God, Jesus, the Christ, our Savior, Lord and head of the church, who gives us the gift of unity.

**OPEN TO CHANGE:** The Holy Spirit calls us to transformation; we are guided by the Holy Spirit in every deliberation, decision and action.

**PARTICIPATORY:** The church is a priesthood of all believers; all members of Presbytery are fully empowered to share in leadership.

**FAITHFUL TO GOD'S WORD:** Presbytery priorities are discerned in prayer, the reading of Scripture and in ongoing conversations about the hopes, dreams, challenges and changes facing us.

**HONOR OUR DIFFERENCES:** We celebrate the diversity of our Presbytery and reflect our theological, geographical, racial, ethnic, gender and generational differences in our leadership and our ministries.

**ACCEPTING:** In our interactions with each other, we follow the example and commandment of Christ, and thus we are guided in all that we say and do by forbearance in love.

**PROUDLY PRESBYTERIAN:** We embrace our Presbyterian heritage, as expressed in Scripture, the Book of Confessions, and our denomination's Book of Order.

**EMPOWERING:** What is not prohibited by our polity, is permitted – ministry commissions and committees are empowered to take action according to the structure of the Manual of Operations!

**COLLABORATIVE:** Congregational networks and partnerships are valued as effective and faithful avenues of transformation and mission.

**GRATEFUL AND RESOURCEFUL:** Recognizing that everything we possess comes from God, we practice faithful stewardship of our gifts and resources.

**ENCOURAGING:** Presbytery develops and facilitates supportive relationships among congregations, congregations and Presbytery, Presbytery and the Synod of the Southwest, Presbytery and the PCUSA and ecumenical and interfaith partners.

**INTEGRITY:** Openness and transparency are the hallmarks of our deliberations and "decision-making."

**CONNECTED:** Innovation and technology are utilized to facilitate and energize communication and ministry initiatives.

## **CHAPTER 3 – ADMINISTRATION COMMITTEE (REFERENCE DE CRISTO MANUAL OF OPERATIONS)**

### **PURPOSE:**

The Administration Committee has the following areas of responsibility:

- Finance and Funds Development
- Endowments and Investments
- Technology and Communications for the Presbytery
- Personnel
- Risk Assessment, Insurance and Congregational Property

### **FUNCTION:**

#### **FINANCE AND FUNDS DEVELOPMENT**

- Work with the Finance Manager in execution of the following responsibilities.
- Make quarterly reports on financial condition of the Presbytery to the Leadership Team.
- Plan and conduct annual budget making processes.
- Coordinate with Mission Committee to incorporate Mission Expense budgets into annual budget development and monitoring and provide proposed annual budget to the Leadership Team for information and approval and approval at the January Presbytery meeting.
- Keep the commissions and committees informed regarding financial standing.
- Allocate benevolence funds to the Synod of the Southwest and the mission program of the General Assembly that are approved by the Presbytery.
- Allocate funds to pay the *per capita* assessment of the Synod and the General Assembly.
- Monitor the budget adopted by Presbytery.
- Submit a written report annually to the Leadership Team.
- Develop, promote and encourage a sense of unity and community within the Presbytery de Cristo.
- Record minutes of all meetings and maintain accurate record of the work of the Budget and Finance subgroup, which shall be available in the Presbytery office.

#### **ENDOWMENTS AND INVESTMENTS**

- Oversee the investments of the Presbytery in accordance with the Endowment Fund Charter.
- Recommend investment philosophy and policy to the Leadership Team.
- Monitor debt service and financial assets of the Presbytery.
- Record minutes of all meetings and maintain accurate record of the work of the Investment subgroup, which shall be available in the Presbytery office.

- Submit a written report annually to the Leadership Team.
- Develop, promote and encourage a sense of unity and community within the Presbytery.

#### **ANNUAL AUDITS**

- Recommend a suitable firm to conduct a financial audit once every three years and name an appropriate team to perform a financial review for the other two years of the three year cycle.

#### **TECHNOLOGY AND COMMUNICATIONS FOR THE PRESBYTERY**

- Identify technology to improve communication throughout the Presbytery, utilizing the web site, and other tools available.
- Commissions and committees will be encouraged to use electronic media in communication, reports and the filing of records.
- All records of the Administration Committee shall be filed in the Presbytery Office.
- All personnel records shall be filed in the office of the Stated Clerk.

#### **PERSONNEL**

In accord with the established Shared Staffing Plan adopted and at the direction of the Combined Presbytery Personnel Team (CPPT), support their actions and requests associated with the following:

- Define the process and review the annual evaluations of Presbytery staff.
- Conduct the reviews of the Presbytery Pastor and Stated Clerk.
- Make recommendations for action concerning compensation of Presbytery staff.
- Enforce the policies in the Presbytery's Personnel Manual.
- Recommend changes in the Personnel Manual for action by the Leadership Team.
- Record minutes of all meetings and maintain accurate record of the work of the subgroup, which shall be filed in the Presbytery office.
- Monitor the Presbytery shared staff budget with the Combined Presbytery Finance Team.
- Submit a written report annually to the Leadership Council.
- Develop, promote and encourage a sense of unity and community within the Presbytery.

#### **RISK ASSESSMENT, INSURANCE AND CONGREGATIONAL PROPERTY**

- Consider requests submitted by congregations to lease, encumber or sell real property as specified in G-4.0206 in the *Book of Order* and act on those requests as the Administration Commission of the Presbytery. (see G-3.0109) Any contingent liability or loan approval in excess of \$1,000,000 requires the additional approval of the Leadership Team, Trustees and the Presbytery.
- Communicate actions and the requirements of G-4.0206 to the Leadership Team and

- the Presbytery at every stated meeting of the Presbytery.
- Recommend to the Leadership Team any changes in policy which will then be forwarded to the Presbytery for approval.
  - In regard to the real property under the direct jurisdiction of the Presbytery.
    - Manage the real property under the direct jurisdiction of the Presbytery.
    - Recommend to the Leadership Team the sale, purchase or leasing of real property under the Presbytery's jurisdiction.
    - Be responsible for monitoring repairs, maintenance, renovations, etc. to the real property of the Presbytery.
    - Annually prepare and propose a budget for the management of the real property of the Presbytery
    - Secure adequate insurance coverage for the real property of the Presbytery
  - Record minutes of all meetings and maintain accurate record of the work of the subgroup, which shall be available in the Presbytery office.
  - Monitor insurance coverage of all congregation facilities, presbytery facilities, and affiliate organizations facilities. Develop a policy for minimum insurance coverage limits in accordance with the minimum insurance coverage limits issued by PC (USA).

### **MEMBERSHIP:**

Administration Committee - The Administration Committee will function as a committee and will be composed of eight (8) members, ruling elders and teaching elders, in numbers nearly equal as practicable, plus the liaison from Leadership Team, serving with voice but without vote, and the Treasurer who will serve ex-officio and have voice and vote. The Presbytery Pastor and Stated Clerk will serve ex-officio with voice, but without vote. The Finance Manager will serve ex-officio with voice, but without vote.

The eight (8) elected members shall be divided into three (3) equal classes (3 members, three members and 2 members), one of which is elected each year by the Presbytery. Term of service will be three (3) years (full or partial) with an individual eligible to serve up to two (2) consecutive terms.

The Chair shall be elected from within the Committee for a term of one (1) year, with the individual eligible to serve up to three (3) years.

### **MEETINGS:**

The Administration Committee shall ordinarily meet 6 times per year. Special meetings may be called by the chair. The meetings of the Administration Committee are open for others to attend except when the body votes to meet in executive session.

### **STAFF:**

The Presbytery Pastor, Treasurer, Finance Manager and Stated Clerk will serve on the Administration Committee as defined in Membership. Others of the Presbytery Staff may attend when directed by the Presbytery Pastor or Chair.

**LINKAGES:**

The Administration Committee reports directly to the Presbytery on matters related to its responsibilities or when the Administration Committee has acted as empowered by the Presbytery.

**POLICIES:**

See the policies of the Administration Committee in the Appendix.

Presbytery de Cristo  
Combined Staffing Financial Procedures  
May 2016

**Objective/Purpose:**

The objective of this document is to specify the procedure to be used by the joint staff of the Grand Canyon Presbytery (GCP) and the Presbytery de Cristo (PdC) for financial matters as they relate to Presbytery de Cristo. These procedures are intended to ensure that the Presbytery's financial matters are conducted appropriately. These procedures are intended to:

- Define who is responsible for specific duties.
- Assign responsibilities in a manner that provide a segregation of duties to ensure checks and balances for financial control.
- Provide for adequate supervision and review of the staff and the work they perform.

In addition to these procedures, the Combined Personnel Committee will hire staff that is honest, competent, and motivated. The Presbyteries will provide staff with the appropriate training and the tools required to perform their duties.

**Overall Financial Management**

The primary accounting activities will be performed by PdC's Finance Manager (FM), with continual primary oversight and review by the PdC Treasurer. The staff will continue to be made up of paid, professional, trusted employees of the Presbyteries. The primary oversight should be thorough, done regularly, and as otherwise required. If discrepancies or questions of propriety exist, the PdC Treasurer will notify the Stated Clerk and the Moderator of PdC's Administration Committee (AC) and deal with the concern promptly.

**Cash Receipts:**

The Office Manager will receive all inbound correspondence. Anything marked **Personal & Confidential** will not be opened, but be delivered to the addressee. If the addressee is not in the office, the Office Manager will notify the addressee that personal and confidential mail has been received and who sent it if there is a return address on the envelope.

Other mail will be opened and mail containing checks, money orders, etc. will be processed by the Office Manager as follows:

- Each receipt will be logged on a register that includes the payer, check or item number, amount and the purpose of the payment, if known.



- When cash, check or money order payable to cash is received, the Office Manager will register the specifics of the amount received, who is to receive the money if known, any restrictions on the use of the money if known, who it was received from if known, date it was received and sign the register and if applicable, give a copy to the payer.
- Maintain custody of the income receipts until they are mailed to the FM.
- Sign and date the receipt ledger at each mailing to the FM.
- Mail the ledger and receipts documents (checks, cash, money orders, etc.) to the FM once each week along with the disbursement invoices and vouchers.
- Email a signed copy of the income ledger to the PdC Treasurer
- Maintain a copy of the income ledger in the office records.

The Presbytery de Cristo FM will complete the following action when the mailed documents are received from the Office Manager:

- Verify the ledger and receipt amount are accurate and in balance. Resolve any discrepancies.
- If a check is received that is not payable to a Presbytery, the FM will retain custody of the check until disposition is determined and then dispose of the check as appropriate.
- Make copies of all checks, money orders, etc.
- Stamp-endorse the checks, money orders, etc. and prepare a bank deposit slip.
- Deposit the income into the appropriate PdC's bank account. Checks should be deposited by the FM as soon as possible after the deposit is received from the Office Manager.
- Record the itemized income deposit into QuickBooks (QB).
- Maintain a record file of the copied checks, ledger, and bank deposit receipt for each bank deposit made.

### **Disbursements:**

The Office Manager receives invoices, bills, reimbursement claims, travel claims, timesheets etc. in the mail and will complete the following:

- Forward the disbursement request to an appropriate approving authority. The approver will sign and date approval for each request.
- Mail the approved disbursement requests to the PdC Finance Manager weekly with the income documents collected.

The PdC Finance Manager will perform the following action for disbursement requests:



- Review each request for the appropriate approval authorizing the payment. Resolve any approval discrepancies observed.
- The amount of the claim is supported and consistent with Presbytery agreements and scheduled payment rates (*for mileage etc.*) and is reasonable.
- **The Financial Manager is authorized to independently review and approve for payment minor administrative invoices which are equal to or less than \$250.**
- Determine the account to be charged.
- Enter the appropriate payment information into QuickBooks (QB) and print the check. Check stock will be secured and accounted for by the FM. The stock will be pre-numbered and used in sequence.
- Any check that is **VOIDED** should be boldly identified as such and retained in the Presbytery's financial history files.
- Checks will only be made payable to an individual or entity. **No checks will be made payable to "Cash"**. In addition, it is prohibited for the check writer to be the check signer, and for the check signer to be the payee.
- The FM will meet with the Treasurer or another authorized check signer who will initial approval/date the hard copy invoices/vouchers and sign the associated check for mailing. Signed checks are not to be returned to the FM. The authorized signer will mail the checks.
- The FM will maintain disbursement records in accordance with record retention policy.

#### **Bank and Investment Accounts:**

The Treasurer for Presbytery de Cristo will be the primary contact for each bank and investment account. The Treasurer will designate authorized signers, who can transfer money to another account, and who has view only access to these accounts. The bank statements will include copies of paid checks. Debit cards will not be authorized.

The Treasurer (or his designee who is not involved with the accounting) will review all financial institution statements. This will include any withdrawals from accounts, repositioning of assets, or transferring of monies between accounts. These activities will be performed as necessary. Investments will only be made based on the recommendation of the PdC Administration Committee (AC).

The Office Manager and/or Stated Clerk will receive copies of all investment/loan statements from the investment/loan institution and provide monthly and/or quarterly updates to the investment/loan reports and insure statements are provided to the Treasurer and FM. The FM will then enter QB investment updates as appropriate to those accounts reflected in QB.

***The FM will not be an authorized signer on the PdC bank or investment accounts.***

The FM will use this online access to bank accounts for the monthly reconciliations, regular reviews, researching problems.

The FM provides monthly reconciliations to the Treasurer for confirmation, and to other interested parties as requested.

After the reconciliations have been completed, the FM provides statements to management, as requested.

If questions exist about any entry, expense or deposit made, the previous month's statement, reconciled, will be provided for checking and verification.

### **Payroll:**

Payroll is presently performed by the PdC Finance Manager for the Middle Eastern Presbyterian Fellowship (MEPF), Young Adult Volunteers (YAV) and the Presbyterian Campus Ministry (PCM). It is expected that payroll for YAV and PCM will become the responsibility of those organizations in the near future. Payroll is completed by the FM using QuickBooks (QB). The PdC Treasurer authorizes the FM to use QB's payroll module to direct deposit payroll, tax, and withholding payments.

- The FM will add and delete employees from the payroll and adjust pay rates as authorized in writing by the Combined Joint Personnel Committee and approved by the Stated Clerk. The employee can specify withholding parameters for their wages. This documentation will be retained by the FM.
- The FM will enter the hours worked for employees paid hourly based on an appropriately approved timesheet.
- The FM will process payroll disbursements electronically and will printout a copy of the payroll register and timesheets for review with signature/date by the Treasurer.

### **Bank Reconciliations:**

The Finance Manager (FM), who does the accounting with QuickBooks (QB), will prepare the bank reconciliations monthly using QB. The PdC Treasurer will grant the FM online view access to the Presbytery's checking and savings accounts.

The Presbytery Treasurer is responsible for reviewing the bank and brokerage accounts monthly. The PdC Treasurer will print out his/her copy of the bank statements directly from the financial institution. These reconciliation reviews are performed for all checking, savings accounts every month. This means:

- Receiving the statements directly from the bank or brokerage house.
- Reviewing each statement for unusual activity.
- Agreeing the beginning and ending balances and transactions to the QuickBooks reconciliations.
- Agreeing the reconciled amount to the published (distributed) QB's financial statements.

- Financial institution adjustments should be agreed to the QB's balance sheet, and income and expense statements.
- Sign and date each reconciled document.

#### **Credit Cards:**

***Credit cards associated with PdC's financial accounts is authorized only for the Presbytery Office Manager.*** This card permits the Office Manager to make online travel reservations and online purchases where a credit card is required to effect the reservation and/or transaction. For other PdC employees, a personal credit card will be used for online transactions, travel, and in-store purchases. The person making the payment will prepare a voucher claim for reimbursement and attach the appropriate supporting receipts for the claim.

#### **Invoices for Joint Services:**

The Grand Canyon Presbytery (GCP) will pay for joint service expenditures using standard disbursement procedures. The GCP will periodically invoice PdC for its allocated 30% share of the costs for the joint staff operation. This invoice will list expenditures individually and each will be supported by appropriate documentation. The amount due will be paid to GCP using a PdC check.

#### **Accounting and Report Distribution:**

Following regular monthly reconciliations, the FM will email monthly financial statements to specified interested parties. The FM will prepare other financial statements as requested and specified by the Presbytery. Some reports may not be automatically generated by QB.

#### **Petty Cash:**

***A Petty Cash Fund for PdC expenditures is not authorized.*** Individuals will purchase items requiring cash payments. The person making the payment will prepare a voucher claim for reimbursement with supporting receipts.

#### **Record Retention:**

The Financial Manager (FM) will retain all current year financial records in his/her office until an audit or financial review has been completed. Following the review, the records should be boxed up by fiscal year and forwarded to the Joint Presbytery Office for long-term storage. Financial records should be maintained for a period of seven (7) years. Current Employee records should be separated from the financial records and maintained FM. Upon termination of an employee, that record can be sent to long-term storage indefinitely.



**Presbytery de Cristo Loan Application**

Presbytery de Cristo \* 4423 N. 24<sup>th</sup> Street, Suite 200 \* Phoenix, AZ 85016\*

**SECTION A: GENERAL INFORMATION**

Corporate Name of Church or entity (incorporation required):

Street Address: \_\_\_\_\_

City:

Zip:

Mailing Address if different than street address:

County:

Phone:

Fax:

Church website:

Loan Amount Requested:

Loan Terms (years):

Desired Closing Date:

Construction/Program Begins:

Proceeds Needed By:

**PURPOSE OF LOAN (CHECK ALL THAT APPLY)**

New Construction:

- Sanctuary
- Christian Ed Space
- Multi-Purpose Bldg

Renovations Repairs:

- Sanctuary
- Christian Ed Space
- Multi-Purpose Bldg

Purchase:

- Existing Bldg
- Land/Site
- NCD Site

Refinance:

- Existing Mortgage
- Bond Issue
- Construction Loan

Other Purpose of Loan:

Date Received

PIN Number

\_\_\_\_\_

\_\_\_\_\_

## CONTACT REGARDING LOAN APPLICATION

Name: \_\_\_\_\_ Title: \_\_\_\_\_

phone: \_\_\_\_\_ Email: \_\_\_\_\_

## CURRENT PASTOR

Current Pastor: \_\_\_\_\_ At Church since: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

## CLERK OF SESSION

Clerk of Session: \_\_\_\_\_ Preferred Phone#: \_\_\_\_\_

Email: \_\_\_\_\_

## APPLICANT'S ATTORNEY

Address: \_\_\_\_\_ City: \_\_\_\_\_ St: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Whose name is on title to church property? (please check one)  Church or Entity  Presbytery

Will all the church property serve as collateral for loan?

Estimated value of land and buildings: \_ Number of acres: \_\_\_\_\_

## APPLICANT'S INSURANCE INFORMATION

Agent's Name: \_\_\_\_\_

Agency: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**SECTION B: COMMUNITY DEMOGRAPHIC INFORMATION**

Factors expected to contribute to the growth or decline of your parish/community's population and economy:

**SECTION C: CHURCH STATISTICAL INFORMATION**

If your church participates in the General Assembly's Annual Statistical Report each year, the historical data for membership and average weekly attendance may be found on line at <http://apps.pcusa.org/tenyeartrends/>. From this page you can find your congregation. On subsequent page you have an option to view statistical information about your church if it has been submitted.

	2011	2012	2013	2014	2015
Church Membership:					
Average Weekly Attendance:					
Estimated Membership By Age Categories:		% under 45	% 45 to 65	% over 65	
		%	%	%	

**PLEDGE INFORMATION (Operating Budget):**

	2 Years Ago	Last Year	Current Year
Number of potential pledging units in church:	_____	_____	_____
Number that actually pledge:	_____	_____	_____

**SECTION D: SOURCES OF REPAYMENT AND OTHER DEBT**

**Church Building Fund Campaign (If Applicable)**

Total pledged to capital campaign: \_\_\_\_\_ over \_\_\_\_\_ years. Number of pledges \_\_\_\_\_

Pledges will be paid over what period? From: \_\_\_\_\_ To: \_\_\_\_\_

Was your capital campaign directed by a professional campaign service?

If yes, what campaign service was used?

If number 5 is "Yes", what are the dates? From: \_\_\_\_\_ To: \_\_\_\_\_

In prior capital campaigns, what percent of money pledged was actually received? \_\_\_\_\_ %

If you have not had a campaign recently, please check this box.



**Projected New Loans To Fund This Project** – if exact information is not known, use anticipated information

Lender	Amount	Loan Rate	Length of Loan	Monthly Payments Totals:
_____	_____	_____ %	_____	_____
_____	_____	_____ %	_____	_____

**Current Debt**

Lender	Original Amount	Current Balance	Monthly Payment	Maturity Date	Loan Rate
_____	_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____	_____ %
<b>Totals:</b>		_____	_____	_____	

**SECTION E: SITE LOAN DATA (Fill in only if the loan request is for land purchase.)**

Select One:

New Church Development Site

Relocation Site (attach explanation regarding disposition of current property)

Addition to current site

How will site be used?

**Required Attachments (site loan only)**

1. Soil test results for compaction and percolation.
2. Contract of Sale (if available).
3. Real estate closing documents (if purchase has been completed, forward closing statement, deed).
4. Proof of zoning compliance
5. Appraisal will be required before loan can be closed.

**SECTION F: FINANCIAL PLAN - Project Costs & Sources of Funds – Fill as Appropriate for Request**

**Ia. For Purchase of a Site or Existing Building**

1. Purchase price of building/site:

- a) Amount of square footage in building: \_\_\_\_\_
- b) Number of acres or square footage of land: \_\_\_\_\_
- c) Appraised value\*: \_\_\_\_\_

**Ib. For Construction, Renovations or Repairs**

Size (in sq. ft.) \_\_\_\_\_ Cost per sq. ft. \_\_\_\_\_

- 1. Construction contract price. (check one)                      FIRM                                      ESTIMATED
- 2. Architect's fees
- 3. Furnishings, equipment, parking, payment and performance bonds, insurance, (10% of contract price suggested)
- 4. Contingencies (15% of construction contract price suggested)
- 5. Other anticipated expenses
- 6. Total Project Cost: (should equal "Resources to Fund Project" line 14)

**II. Resources to Fund Project**

**Church's Cash And Pledge Resources**

- 1. Cash on hand from capital campaign pledges:
- 2. Cash on hand from other sources:
  - a.) Specify source:
- 3. Cash already expended on the project:
  - a.) From capital campaign proceeds:
  - b.) From other resources:
- 4. Additional funds from capital campaign to be spent during construction:

**Gifts And Grants**

- 5. Presbytery gifts and grants:
- 6. Synod gifts and grants:
- 7. Other gifts and grants:

**Other Loans To Fund This Project**

- 8. Synod loan:                                      years @                      % interest                      mo/pmt
- 9. Bank (commercial) mortgage:
- 10. Other loans:
  - Specify lender:

- 11. **Total Resources (Total items 1 – 11):**
- 12. **Loan amount requested to complete the project:**
- 13. **Grand Total Resources (line 12 & 13 should equal project cost line 6)**



**SECTION G:**

**AUTHORIZATION**

**Church/Borrower**

We, the undersigned, hereby certify that all statements made herein, are applicable to the organization for which we are signing and are true and correct to the best of our knowledge and belief. We further certify that this application is submitted with the full knowledge and approval of the official governing board we represent

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Authorized Signature

Date: \_\_\_\_\_

**Presbytery de Cristo**

On \_\_\_\_\_ (date) the Presbytery of de Cristo in accordance with the *Book of Order* and its own procedures:

- Reviewed and approved this project as to mission priority:
- Gave consideration to participation in the project's funding:
- Reviewed and approved the Financial Plan as fiscally responsible:
- Agreed to monitor the application of the Equal Employment Opportunity policy of the General Assembly as appropriate to this project:
- Has/will agree (d) at its last/next scheduled meeting held on/to be held on \_\_\_\_\_ (date)  
to guarantee/co-sign the loan(s) and to assume repayment responsibility in the event of loan default.

\_\_\_\_\_  
Presbytery Stated Clerk

\_\_\_\_\_  
Date

**Section A: Borrower will provide these items (ALONG WITH THE COMPLETED LOAN APPLICATION):**

**ONLY THOSE CHECKED ARE REQUIRED**

- Yearend financial statements for last 3 years (balance sheet, income & expenses) signed by treasurer/bookkeeper.
- List of church cash or liquid assets not disclosed in financial statements
- Most recent financial statement for current year
- Current year annual budget
- Proposed budget for next year *(if available)*
- Proposed plan to repay the loan
- Brief description of project scope and objectives. *How will project help the church accomplish its mission goals and objectives? Does project include plans to improve accessibility (either physical or auditory) or accommodate the needs of persons with disabilities? What elements of the project, if any, will improve the energy efficiency of your facilities?*
- If construction loan, include architect's drawings showing floor plan and elevations *(file size please)*.
- If construction loan, a copy of the construction contract when available *(must have signed contract before closing)*

**Section B: Borrower will prepare and return these items to Presbytery (AFTER LOAN APPROVAL):**

**ONLY THOSE CHECKED ARE REQUIRED**

- Copy of Bylaws plus any amendments certified by church corporation secretary\*
- Copy of Articles of Incorporation plus any amendments certified by church corporation secretary\*
- Congregation and corporation resolution to approve borrowing (certified\*)
- Evidence that lender has been added as additional insured, loss payee & mortgagee to insurance policy
- Affidavit and Certificate of Incumbency\*
- Appraisal *(required for purchase contracts)* or Appraisal Checklist\*
- Evidence of zoning compliance
- State Certificate of Good Standing/Certificate of Existence
- Environmental Assessment Checklist\* or Phase I Environmental Audit

***If this is a construction loan, the following additional items are required:***

**ONLY THOSE CHECKED ARE REQUIRED**

- Payment and performance bonds
- Property survey *(if required to lift exceptions to title insurance)*
- Copy of signed construction contract *(must have prior to closing)*.
- Builder's risk insurance

**PLEASE RETURN THIS SIGNED APPLICATION ALONG WITH ALL REQUESTED DOCUMENTS FROM SECTION A TO:**

**PRESBYTERY de CRISTO**

**PRESBYTERY DE CRISTO**  
**ENDOWMENT FUND CHARTER**  
**ADMINISTRATION COMMITTEE**

**Creation of the Fund**

The Presbytery de Cristo Endowment Fund is hereby created. The Fund shall be a permanent fund and shall be used to support the various mission activities of the Presbytery beyond what the budget otherwise would be able to provide.

Up to 90% of the income earned by the fund may be used each year to support mission activities of Presbytery de Cristo. It is intended that *only* the fund earnings will be spent, and to every extent possible, the principal shall remain intact.

The Endowment Sub-committee shall consist of the members of the Administration Committee (AC) and the Presbytery Treasurer, and shall be chaired by the AC member(s) in charge of Presbytery Investments.

The Endowment Fund Sub-committee shall report directly to the Presbytery de Cristo Administration Committee.

**Vision Statement**

The Endowment Fund shall exist to enable members of the various congregations of Presbytery de Cristo, and other friends of the Church, to provide funds for the long-term benefit of Presbytery de Cristo. Gifts will consist of bequests and such other funds as donors may designate for the benefit of the Endowment Fund.

Earnings of the Fund will be used to support mission activities of Presbytery de Cristo, which are beyond the resources of the annual budget. Under extraordinary circumstances, as outlined under the Spending Policy, the principal balance of the funds in the Endowment Fund, to the extent not otherwise restricted by the donor, may be used for extraordinary needs of the Presbytery.

**Gift Acceptance Policy**

Gifts to the Endowment Fund can be either restricted, or unrestricted, by the donor. The Committee and the Presbytery must approve the acceptance of restricted gifts before a Restrictive Gift Agreement is entered into with a donor. The Presbytery de Cristo Endowment Fund Committee may accept gifts of cash and other assets. Planned giving gifts involving a split interest agreement such as a gift annuity, life insurance policies and other similar assets, will be transferred to the Presbyterian Church (USA) Foundation for management of the funds for the benefit of Presbytery de Cristo. Foundation investments with the Presbytery de Cristo as beneficiary will have any interest paid out to the Presbytery and be combined with other

investments within the Presbytery de Cristo Endowment Fund unless the particular gift generating the interest is restricted as to its use. In such a case, the donor's wishes will be followed to the extent possible.

Donors making planned gifts to the Endowment Fund shall rely upon their own financial advisors in considering the benefits and consequences to them of various gifting alternatives.

Generally, gifts of stock, real estate and other such property will be sold immediately upon receipt and the funds invested by the Endowment Fund sub-committee. Real and personal property will be accepted only after a determination is made that accepting the gift will not result in any risk to the Presbytery and these items will be sold as soon as practicable. The sub-committee has the right to refuse any gift if it considers either the gift or the restriction inappropriate.

### **Management of the Fund**

Every effort will be made to honor the wishes of a donor with respect to the investment of funds given to the Presbytery. However it must be recognized that in order to make a deductible gift to the Presbytery, the donor must give up control of the funds to meet requirements of the Internal Revenue Service. Gifts to the Foundation will have title transferred to the Foundation and the donor surrenders any and all control of the assets.

Periodic reports of the resources, income and expenses of the Endowment Fund shall be made no less often than annually to the Administration Committee by the Endowment Fund Sub-committee. A report to the Presbytery shall also be made at least annually.

The financial records of the Fund shall be available for inspection by members of the Presbytery; however, every effort will be made to honor the wishes of any donor who wishes to remain anonymous.

The financial statements of the Endowment Fund shall be subject to review or audit to the extent the financial statements of the Presbytery may be subject to review or audit from time to time. To the extent such a review is not performed by outside accountants, it shall be made by a committee of Presbytery members with knowledge of accounting procedures, and independent of the custody and distribution of such assets. If funds are invested exceeding \$100,000, a review shall be conducted each year, and an outside audit every 3 years by a certified public accountant, in sequence with the Presbytery de Cristo Audits and/or Reviews.

### **Spending Policy**

The Endowment sub-committee may consider transfer of funds to the Presbytery General Fund, based upon requests from the Presbytery. The Administration Committee shall identify needs for which the funds will be used. Normally, such transfers will not exceed 90% of the net

earnings of the Fund for the prior year. While it is the intent of the fund to only spend the earnings and not the principal, there may arise a need to sell and use part of the principal. In this extraordinary situation, transfers of principal can be made to the Presbytery, but only after approval of members of the Endowment Sub-committee, and 75% of the members of the Administration Committee voting at two meetings approximately 30 days apart. Such transfers can only be made for funds which do not have restrictions placed on them by the donors.

### **Conflict of Interest Policy**

Under no circumstances will the funds of the Endowment Fund be invested in activities or ventures of members of the Endowment Sub-committee, or the Administration Committee of Presbytery de Cristo. This is not intended to restrict the investment of funds with financial institutions employing such members, provided disclosure of the relationship has been made. As the funds of the Endowment Committee grow, it is anticipated the investments of the Fund will be broadened and professional investment managers may be employed to manage the investments. However, funds shall never be invested where there is undue risk of the principal.

### **Committee Member Responsibilities**

1. To acquaint Presbytery members and others with the Endowment Fund and to promote donations to the Endowment Fund.
2. To meet at least quarterly, except for the summer months, or as called to meet by the Administration Committee Moderator, or a majority of the Sub-committee members.
3. To insure accurate records of the Fund are maintained so that financial statements can be prepared in accordance with generally accepted accounting principles.
4. To prepare and maintain accurate Minutes of each and every meeting.
5. To direct the investments of the fund in accordance with the restrictions of the Endowment Fund Charter and market conditions.

## Insurance Standards for Presbytery de Cristo

**References:** (a) Book of Order Section G-3.0112  
(b) PCUSA Recommended Minimum Standards of Property & Liability Insurance

**Background:** In 2014 Grand Canyon Presbytery researched and evaluated insurance coverage and insurance carriers. They learned that they were more comfortable with the Insurance Board (IB) than they had been with Church Mutual. They switched entirely effective January 1, 2015.

During 2015, Presbytery de Cristo's (PdC) Administration Committee (AC) continued to evaluate insurance coverage provided by the Insurance Board (IB) and Church Mutual (CM) insurance carriers. During this process it became apparent to AC members that the coverage offered by IB was far superior, especially in coverage provided for dishonest employees, sexual misconduct and umbrella liability and that the increased limits were offered for the same cost or with minimal increases. The AC directed presbytery member churches to seek bids from IB as the Presbytery was shifting its own coverage to IB. The joint umbrella liability coverage that had been provided PdC by Church Mutual would be cancelled for individual member churches. Churches desiring to stay with a company other than IB would lose their umbrella liability coverage and would need to purchase said coverage individually.

Most churches in the presbytery shifted coverage to IB, while some decided to remain with their current carrier, either Church Mutual or Brotherhood Mutual. Some others are using this opportunity to completely inventory their property and will then entertain quotes.

During this process it became evident that minimum standards for property and liability coverage had never been established by the presbytery and some churches appeared to be underinsured. The PdC is an additional named insured as property owner and shares exposure to losses. Therefore, the need to establish minimum standards throughout the presbytery with risk assessment oversight became apparent. To accomplish these objectives, the following minimum standards for property and liability coverage are established and a process to ensure presbytery oversight is defined.

**Minimum Insurance Standards for Presbytery de Cristo Churches with 100 members or more:**

1. Property/Casualty broad form coverage for buildings and contents must be for replacement cost as opposed to stated value (depreciated).
2. General Liability at least \$1,000,000 per claim/occurrence, \$2,000,000 aggregate.
3. Pastoral professional liability and sexual misconduct coverage at \$1,000,000.
4. Directors and Officers: \$1,000,000 per claim/occurrence or aggregate.
5. Workers Compensation as required by Arizona State Law.
6. Employee Dishonesty Coverage: \$1,000,000 per claim or aggregate.
7. Umbrella Liability Coverage: \$10,000,000 per occurrence or aggregate.

**Minimum Insurance Standards for Presbytery de Cristo Churches with 100 or less members:**

1. Property/Casualty broad form coverage for buildings and contents should be for replacement cost as opposed to stated value (depreciated). For properties with multiple buildings, property/casualty needs may be evaluated to accept coverage at least equal to 80% of full value.
2. General Liability at least \$1,000,000 per claim/occurrence, \$2,000,000 aggregate.
3. Pastoral professional liability and sexual misconduct coverage at \$1,000,000.
4. Directors and Officers: \$1,000,000 per claim/occurrence or aggregate.
5. Workers Compensation as required by Arizona State Law.
6. Employee Dishonesty Coverage: \$50,000 per claim or aggregate.
7. Umbrella Liability Coverage: \$5,000,000 per occurrence or aggregate.

**Procedures for CA Risk Assessment Oversight for Member Churches:**

1. Initially when approved, member churches are required to submit to the Stated Clerk a copy of their most recent insurance declaration page for property/liability coverages and workers compensation (if applicable).
2. Annually upon renewal of coverage, member churches will forward an updated copy of the declaration pages.
3. The Stated Clerk will maintain a record file of each member church's insurance declaration page as part of their Risk Assessment responsibility.