

5. Temporarily Restricted Funds

These are “temporarily restricted” funds under the direction of various committees or entities within the presbytery—Mission Coordination Committee, Committee on Ministry, Church Development Committee, etc. Disbursements from each designated fund are requisitioned in the regular process by the appropriate staff person or volunteer committee member, and are approved in the regular weekly approval process. The Director of Finance reports changes in these funds through the Income Statement which is produced monthly, and also as part of the annual audit.

Additional board and donor designated temporarily restricted funds can be created by Leadership Council/BOD upon recommendation by the Managing Director of Business Affairs and the Finance Director when gifts are received by the Presbytery. The authorizing agent for expenditure and the fund designation need to be specified in writing for each of these funds and reported to the Budget and Finance Committee.

- A. **Donor Designated Temporarily Restricted Funds:** The following funds are donor designated temporarily restricted funds. These funds cannot be directed to any other purpose than those specified by the donor.

a. Operating Fund: The Operating Fund is used for the costs incurred for the functioning of the basic work of the Presbytery required by the Book of Order. Monies are allocated by the Presbytery through an annual budgeting process. Budget variances can be approved by the Leadership Council. Monies comes to this fund from church's per capita assessments and from other funds as determined by the Presbytery.

a.b. Ministry Crisis Fund: The Ministry Crisis Fund is a longstanding financial resource which provides emergency assistance to ministers and/or their families when other resources are not sufficient. The fund is operated by Committee on Ministry. Income is primarily from the offering taken at all installation services. Assistance is provided in the form of grants or loans; where a loan is provided, ordinarily a promissory note is required. The Director of Finance disburses monies from the fund at the direction of the Relations Team of Committee on Ministry, and prepares a quarterly report for the Team. The annual audit tracks the changes in the fund for the year in the report of Temporarily Restricted Net Assets.

The Committee on Ministry Coordinating Team has the authority to convert a loan to a grant, and/or to forgive part or all of an amount owed. Where an amount owed by an individual has been forgiven, the financial staff will follow the guidance of the auditor as to providing a 1099 to the person and the IRS.

When a minister who has a repayment obligation to the Ministry Crisis Fund receives a call and wishes to transfer to another presbytery, the Ministry Crisis Team and/or the Committee on Ministry will decide whether to pursue repayment on a case-by-case basis.

b.c. Preparation for Ministry Scholarship Fund: Monies in this fund have been given by individuals and churches for seminary scholarships by direct giving and by the offering taken at ordination services. The Director of Finance disburses monies from the fund at the direction of the ~~Committee~~ Commission on Preparation for Ministry, with the approval of Leadership Council ~~/BOD~~.

B. Board Designated Temporarily Restricted Funds: The following funds are board designated temporarily restricted funds. These funds can be redirected by a vote of the Leadership Council ~~/BOD~~ or the Presbytery as specified for each fund below.

a. Mission Fund

The Mission Fund is to be used for the mission determined annually by the Presbytery through the budgeting process. Monies are allocated by Presbytery vote approving an annual budget. Budget variances can be approved by the Leadership Council.

a.b. DC Resurrection Fund: Equipping Ministry in DC

~~The DC Resurrection Fund: Equipping Ministry in DC is to be used for direct awards to congregations via CDC's Equipping Congregations Team or its successor committee(s), to address at least one of the following three emphases from the NCP Vision Statement: 1) Provide a forum for our leaders and congregation members to reflect theologically; 2) Connect ruling elders across congregations enriching their missional identity as apostles sent into the world in service to God's mission; 3) Equip congregations in their discipleship formation of children, youth, and adults. This fund supports Mission Fund approved projects which strengthen and transform NCP congregations and worshipping communities to be missional, pastoral and prophetic.~~ This fund is restricted to ~~those congregations~~ ministry within the District of Columbia. Monies are allocated by Presbytery vote ~~upon the recommendation of the Church Development Committee and to the Mission Fund~~ with the approval of the Leadership Council ~~/BOD~~. Any change in the designation of this fund requires the vote of the Presbytery.

b. Resurrection Fund: Mission in DC

~~Resurrection Fund: Mission in DC to mission projects approved by the Mission Coordination Committee (MCC) or its successor committee(s) to provide~~

resources to congregations that 1) Serve as a catalyst for mission by connecting congregations with common local, national and international mission interests; 2) Bear public witness, bringing a prophetic word to the powers and principalities of the world based upon the love and justice of God in Jesus Christ. This fund is restricted to those congregations within the District of Columbia. Monies are allocated by Presbytery vote upon the recommendation of the Mission Coordination Committee and with the approval of the Council/ BOD. Any change in the designation of this fund requires the vote of the Presbytery.

e. Resurrection Fund: Church Development in DC

~~Resurrection Fund: Church Development in DC for new church development or transformation ministries under the direction of the Church Development Committee (CDC) or its successor committee(s). This fund is restricted to those congregations within the District of Columbia. Monies are allocated by Presbytery vote upon the recommendation of the Church Development Committee and with the approval of the Council/ BOD. Any change in the designation of this fund requires the vote of the Presbytery.~~

d.c.NCP Resurrection Fund: Equipping Ministry in DC, VA, and MD

~~Resurrection Fund: Equipping Ministry in DC, VA, and MD is to be used for direct awards to congregations via CDC's Equipping Congregations Team or its successor committee(s), to address at least one of the following three emphases from the NCP Vision Statement: 1) Provide a forum for our leaders and congregation members to reflect theologically; 2) Connect ruling elders across congregations enriching their missional identity as apostles sent into the world in service to God's mission; 3) Equip congregations in their discipleship formation of children, youth, and adults. This fund supports Mission Fund approved projects which strengthen and transform NCP congregations and worshipping communities to be missional, pastoral and prophetic. Monies are allocated by Presbytery vote to the Mission Fund upon the recommendation of the Church Development Committee and with the approval of the Leadership Council/ BOD. Any change in the designation of this fund requires the vote of the Presbytery.~~

e. Resurrection Fund: Mission in DC, VA, MD

~~Resurrection Fund: Mission in DC, VA, MD to mission projects approved by the Mission Coordination Committee (MCC) or its successor committee(s) to provide resources to congregations that 1) Serve as a catalyst for mission by connecting congregations with common local, national and international mission interests; 2) Bear public witness, bringing a prophetic word to the powers and principalities of the world based upon the love and justice of God in Jesus Christ; Monies are allocated by Presbytery vote upon the recommendation of the Mission~~

~~Coordination Committee and with the approval of the Council/ BOD. Any change in the designation of this fund requires the vote of the Presbytery.~~

~~— **Resurrection Fund: Church Development in DC, VA, MD**~~

~~Resurrection Fund: Church Development in DC, VA, MD for new church development or transformation ministries under the direction of the Church Development Committee (CDC) or its successor committee(s). Monies are allocated by Presbytery vote upon the recommendation of the Church Development Committee and with the approval of the Council/ BOD. Any change in the designation of this fund requires the vote of the Presbytery.~~

g.d. NCP Scholarship Fund

Scholarships for Candidates and Inquirers in Seminary are approved by the Presbytery upon the recommendation of the ~~Committee~~ Commission on Preparation for Ministry and with the approval of the Leadership Council ~~/BOD~~. Any change in the designation of this fund requires the vote of the Presbytery.

h.e. New Church Development Fund

New Church Development Fund is for new church development under the direction of the Church Development Committee (CDC) or its successor committee(s). Monies are allocated by Presbytery vote upon the recommendation of the Church Development Committee and with the approval of the Leadership Council ~~/BOD~~. Any change in the designation of this fund requires the vote of the Presbytery.

i.f. Hispanic Ministry Fund

Hispanic Ministry Fund is for church development under the direction of the CDC or its successor committee(s). Monies are allocated by Presbytery vote upon the recommendation of the CDC and with the approval of the Leadership Council ~~/ BOD~~. Any change in the designation of this fund requires the vote of the Presbytery.

j.g. Office Expense Fund

Office Expense Fund is for the expenses of an office for Presbytery and its staff. Allocation of monies is approved by the Presbytery in the context of the annual Operating Fund Budget which is approved by Leadership Council ~~/BOD~~ with the advice of the Budget and Finance Committee ~~and the Administrative Division~~. Any change in the designation of this fund requires the vote of the Leadership Council ~~/BOD~~.

k.h. Property Management Fund

Property Management Fund is used for the upkeep of real property for which the Presbytery is the primary trustee or owner. The Managing Director of Business Affairs is authorized to expend these monies with the concurrence of the General Presbyter and under the oversight of the committee charged with Property responsibilities in the Manual of Administrative Operations. Any change in the designation of this fund requires the vote of the Leadership Council/BOD.

h.i. Unrestricted Fund

The Leadership Council/BOD of the Presbytery is authorized to expend monies from this fund. These expenditures are to be reported to the Presbytery. Any change in the designation of this fund requires the vote of the Leadership Council/BOD.

6. The Sale of Real Property

Sections 6, 7 and 8, can be changed by a vote of the Presbytery with the exception of the annual “draw” which is set by Leadership Council/BOD as noted below.

When a congregation is dissolved and the net assets of that congregation are allocated to the funds listed below, the names of those congregations will be honored in the fund descriptions.

Upon the dissolution of a congregation the Presbytery will allocate the net assets in the following fashion.

1. First all outstanding liabilities shall be satisfied including those owed the Presbytery for loans, maintenance expenses, outstanding per capita assessments or other obligations.
2. An amount which will bring the Property Management Fund to a balance of \$350,000 shall be placed in the Property Management Fund. This fund shall be used by the Committee specified in the Operations Manual of the Presbytery to maintain/improve the closed church property, pay bills and for any other costs between the time the church is closed and the time the property is sold. If the balance in the Property Management Fund has reached \$350,000 at the time of the distribution, then no further distribution to the Property Management Fund will be made.
3. The remaining ~~earnings-assets~~ shall be placed in the NCP Resurrection Fund. distributed three ways:
 - ~~—i. One third (33.3%) shall be designated to the Resurrection Fund: Church Development in DC, VA, MD~~
 - ~~—ii. One third (33.3%) shall be designated for the Resurrection Fund: Equipping Ministry in DC, VA, and MD~~

~~iii. One third (33.3%) shall be designated for the Resurrection Fund: Mission in DC, VA, MD~~

~~d)~~ An exception to the above distribution shall be made for churches within the boundaries of the District of Columbia. If an existing church within the boundaries of the District of Columbia is sold, and the income has not been previously restricted, then 100% of the earnings on the net proceeds resulting from that sale (minus the draw for the Property Management Fund) shall be distributed for ministry within the boundaries of the District of Columbia. ~~Income from the earnings of such sales will be distributed as follows:~~

~~i. One third (33.3%) shall be designated for the Resurrection Fund: Church Development in DC~~

~~ii. One third (33.3%) shall be designated for the Resurrection Fund: Equipping Ministry in DC~~

~~iii. One third (33.3%) shall go to Resurrection Fund: Mission in DC~~

7. Investment Asset Allocation

The return on investment of the following temporarily restricted funds will be blended and a proportionate share of that return (or loss) will be allocated to the particular fund monthly. Additional funds can be added to this list by the ~~Administrative Division~~Leadership Council.

- a. DC Resurrection Fund: ~~Equipping Ministry in DC~~
- b. ~~NCP~~ Resurrection Fund: ~~Mission in DC~~
- c. ~~Resurrection Fund: Church Development in DC~~
- d. ~~Resurrection Fund: Equipping Ministry in DC, VA, and MD~~
- e. ~~Resurrection Fund: Mission in DC, VA, MD~~
- f. ~~b. Resurrection Fund: Church Development in DC, VA, MD~~
- g. ~~c. NCP~~ Scholarship Fund
- h. ~~d. New Church Development Fund~~
- i. ~~e. Hispanic Ministry Fund~~
- j. ~~f. Office Expense Fund~~
- k. ~~g. Property Management Fund~~
- l. ~~h. Unrestricted Fund~~

The donor designated temporarily and permanently restricted funds (Grandin, Toland, Bovard, Garden, Ministry Crisis, Preparation for Ministry Scholarship and any others in the future) will be separately invested and segregated as necessitated by their donor designations and will be excluded from any collateral agreements entered into by National Capital Presbytery.

The following funds, which the Presbytery decides to maintain with the principal generally intact (or the principal is held by the bank as collateral), have available for expenditure toward the designated mission a flat amount approved by the Leadership Council/~~Board of Directors~~ which

annually will be proportionately divided among the listed funds. This draw amount shall be recommended annually by the Investment Committee by March, and subsequently be approved by Leadership Council/Board of Directors for release the following January 1. *(However this draw is suspended by Presbytery action for the six Resurrection Funds for the 2013 and 2014 years and will commence again on January 1, 2015. A draw of \$24,000 per year shall be made from the NCP Scholarship Fund for 2013 and 2014 for seminary scholarships recommended by the Committee on Preparation for Ministry.)*

~~Here is an example of how this set flat amount would be shared proportionately across these funds. If the total flat amount was set at \$118,000, an amount will be subtracted from the corpus of each fund proportionate to the percentage of the sum of these funds. For example if the "Resurrection Fund: Church Development in DC, VA and MD" fund balance was 15% of the sum of all these funds, the Presbytery's mission for Church Development in DC, VA and MD would have \$17,700 (15% of \$118,000) available for expenditure on January 1. Unspent monies allocated would be available for expenditure in succeeding years. This draw will occur on or about January 1 of each calendar year.~~

- ~~a. DC Resurrection Fund: Equipping Ministry in DC~~
- ~~b. NCP Resurrection Fund: Mission in DC~~
- ~~c. Resurrection Fund: Church Development in DC~~
- ~~d. Resurrection Fund: Equipping Ministry in DC, VA, and MD~~
- ~~e. Resurrection Fund: Mission in DC, VA, and MD~~
- ~~f. Resurrection Fund: Church Development in DC, VA, MD~~
- g-b. NCP Scholarship Fund

Annually the Investment Committee of the Presbytery will review the level of this draw in light of current and predicted market performance and recommend any change in that percentage amount to the Leadership Council/BOD which shall take action to set that draw. That action by the Leadership Council/BOD will occur before March 30.

Monies from the NCP Resurrection Fund and the DC Resurrection Fund draws will provide income to the Mission Fund of the Presbytery upon request by the Budget and Finance Committee, the approval of the Leadership Council and the approval of the Presbytery when it approves or approves a variance in its Mission Fund budget. Expenses will likewise be budgeted through the Mission Fund in the ordinary budget formation procedure or approved variance.

The ~~Committee Commission~~ on Preparation for Ministry (CPM) awards scholarships from the annual draw from the *Board Designated* Temporarily Restricted NCP Scholarship Fund with the approval of the Leadership Council/BOD.

Additionally the CPM may recommend to the Leadership Council/BOD additional draws on the corpus of the *Donor Designated* Temporarily Restricted Fund "Preparation for Ministry Scholarship Fund." And the income from the Donor Designated Permanently Restricted "General Scholarship Fund."