

**Policy for the 21<sup>st</sup> Century Church**

**I. Introduction**

Chicago Presbytery and its member congregations face increasing challenges of aging and decline that foretell the closing of churches in the years ahead. Church closing is not inevitable, and church redevelopment strategies are promising for some, but the challenges become insurmountable for others. When a church reaches the end of its life cycle, a death occurs, and the Presbytery becomes the responsible steward of its remaining assets. With deep appreciation for decades of faithful ministries of these churches, their members, and their ministers, Chicago Presbytery may dedicate some or all of these resources to growing the Presbyterian Church of the 21<sup>st</sup> Century. Funds will be used to support church redevelopment, new church development, and other ministry revitalizing initiatives. By God's Grace and the Presbytery's strategic use of these resources, new ministries will rise from the ashes of those who have faithfully served before

**II. Purpose**

The goal of this policy is to provide guidance on the receipt, management, and use of the funds that come from the closing of congregations and ministries of the Presbytery of Chicago.

**III. Establishment of Fund and Additions to the Fund**

To support this policy the Presbytery has created a designated fund called the 21<sup>st</sup> Century Church Fund. Money that goes into this account comes from a variety of sources including, but not limited to, the following:

1. net proceeds from the sale of former church real property after payment of any outstanding debt, closing expenses, or temporary operating expenses,
2. cash and investments held by closing ministries,
3. funds from congregations that choose to leave the denomination and agree to financial arrangements through the Presbytery's Gracious Separation policy, and
4. designated gifts made to this fund.

**IV. Funds from Closed or Merged Congregations**

1. Closed or Closing Congregations
  - a) According to Section G-4.0203 of the *Book of Order*, "All property held by or for a congregation ... is held in trust ... for the use and benefit of the Presbyterian Church." When a congregation is viable, the congregation's property, with a few exceptions, is managed solely by the session. However, once it is likely that the congregation will close, the Trust Clause applies.

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- b) Once a congregation has decided to close it may request that up to 20% of the value of its property be allocated to local mission subject to the approval of the Presbytery Assembly, which ultimately bears sole responsibility for determining the mission priorities of the Presbytery.
  - c) All remaining property reverts to the Presbytery and shall be sold or distributed by the Presbytery Coordinating Commission, which shall also determine the specific amount of money to be added to this fund.
2. The property of merged congregations, including any proceeds from sold assets, is generally controlled by the new session, as the merged congregation is viable. Nonetheless, merged congregations are encouraged to contribute 20% of the proceeds of any sold property to this fund.

### V. Management of Fund

The administration of the fund shall be as follows:

1. The fund shall be established and managed as a presbytery designated temporary restricted fund. This designated fund is a temporary restricted fund whose use is for a specific purpose. Changes to the purpose can be approved only by the Presbytery Assembly.
2. Money in the fund will be kept in a separate investment account that meets the general guidelines of the presbytery investment policy.
3. Day-to-day oversight, statement retention, fund holder relations, and reporting of the funds will be the responsibility of the Presbytery Coordinating Commission.
4. Oversight of additions to the fund and distributions from the fund will be managed by the Presbytery Coordinating Commission, which may delegate this responsibility to other group(s).
5. A report of all activity on the fund will be provided to the Presbytery Assembly at least annually.

### VI. Repository of Funds and Distribution of Interest and Dividends

The goal of this fund is to provide a repository of funds from closed churches, discontinued ministries of the Presbytery, and designated gifts. Income from these funds will be used to support ministries of the Presbytery. There will be two approaches toward distributing monies from the fund.

1. Distribution of Interest and Dividends: The first approach is to allocate annual interest and dividends earned. Interest and dividends will be calculated and reported as soon as practical at the beginning of each fiscal year. Distributions of the interest and dividends will be made as follows:

- a) Forty five percent of the previous year's interest and dividends may be used for new church development opportunities.
  - b) Forty five percent of the interest and dividends may be used for redevelopment of existing congregations.
  - c) Ten percent of the interest and dividends may be used for interpreting the mission of these funds and promoting charitable contributions to them by Chicago Presbytery sessions and members of congregations.
2. Allocation of Principal: The second approach is to allocate a portion of the fund principal.
- a) If there are insufficient funds received as interest to support grant requests submitted by congregations, the Presbytery Coordinating Commission, with the approval of the Presbytery Assembly, may use a portion of the principal. In order to maintain the integrity of the fund, no more than 10% of the principal may be allocated each calendar year.
  - b) Money will be transferred from the investment account to the Presbytery for spending as approved. Income from the investment account and approved expenses will be tracked in the presbytery accounting system. Any interest and dividends not spent in any calendar year remain as principal balance.

## **VII. Procedures for Expenditures from the Fund**

1. Requests for disbursements from the fund may be initiated by:
  - a) Sessions of existing congregations.
  - b) Leadership teams of new worshipping communities.
  - c) Commission on Ministry.
  - d) Mission Task Force of the Presbytery of Chicago, or its successor(s).
2. Requestors will complete a project proposal with supporting documentation stating the need and intended purpose of the request. Proposals will be received, forwarded, and reviewed as follows:
  - a) The Presbytery Coordinating Commission will receive and evaluate proposals. All project proposals should contain a well-articulated budget, be well researched, and include concrete, measurable outcomes.
  - b) If the Presbytery Coordinating Commission accepts a proposal, it will authorize the disbursement.
  - c) Recipients shall report regularly to Presbytery Coordinating Commission about the proposal funded.
  - d) Fund disbursements will be made on a first-come, first-serve basis in accordance with Section VI above.

**VIII. Reporting**

A full report of the fund will be provided to the Presbytery Assembly at the end of each year. The report will be produced by the Presbytery Treasurer.

**IX. Relation to other Policies**

This policy is related to the following Presbytery of Chicago policies. If any of these policies change they all should be reviewed.

1. Presbytery of Chicago Investment Guidelines
2. Presbytery of Chicago Policy for Gracious Separation