

**Presbytery of Middle Tennessee**  
**Restricted and Designated Funds**  
March 17, 2022

**Restricted Funds**

**3002-01 – Centsability (Grants)**

This fund is part of the Centsability hunger relief program of the Presbyterian Mission Agency. Funds are received from churches and individuals and distributed through Hunger Action Grants to Presbytery of Middle Tennessee churches and programs and to other organizations for the purpose of alleviating hunger in Middle Tennessee. This fund is administered by the Committee on Mutual Support.

**3002-02 – Peace & Global Witness (Expenditures)**

This fund consists of the Presbytery's 25% portion of the denomination's annual Peace & Global Witness Offering. The purposes for which the fund may be used are determined each year by the denomination. Another 25% of the original offering is retained by the local church, and the remaining 50% is sent to the Presbyterian Mission Agency. This fund is administered by the Committee on Mutual Support subject to the designations of the offering.

**3002-05 - Guatemalan Support Fund (Expenditures)**

This fund consists of donations from churches and individuals to support the activities of Presbytery's Guatemala Task Force, including mission trips, pastor support, student scholarships, and women's project funding. Conditions governing the use and disbursement of money from this fund are contained in a resolution adopted at the February 2, 2022, Presbytery meeting. This fund is administered by the Committee on Mutual Support.

**3002-06 - Pastoral Care (Expenditures)**

This fund began with a donor gift and is currently funded by individual gifts and special offerings at Presbytery meetings. It is to be used for emergency needs of pastors in the Presbytery. This fund is administered by the Committee on Ministry.

**3002-10 - Youth and Young Adult Fund (Grants)**

This fund consists of money received through individual gifts and special offerings at Presbytery meetings and is used to pay expenses of youth who need financial assistance to attend Triennium, General Assembly, or other denominational events. A letter from the applicant's Pastor or the Clerk of Session certifying the need of the individual and their family will suffice as the grant application. This fund is administered by the Committee on Mutual Support. When monies in this fund have been exhausted, it will be deleted and requests will be directed to 3002-10.

**3002-12 - Women in Ministry (Expenditures)**

This fund started with a grant from the Board of Pensions for a support group for women in ministry within the Presbytery. When monies in this fund have been exhausted, it will be deleted and requests will be directed to 3001-13.

**3002-18 - Leadership Development and Education (Expenditures)**

This fund receives money from special offerings, gifts, and registration fees, which is used to pay for educational events within the Presbytery. This fund is administered by the Committee on Leadership Excellence. When monies in this fund have been exhausted, it will be deleted and requests will be directed to 3001-13.

### **3002-26 - Sabbatical Assistance (Grants)**

This fund was started with the Presbytery meeting offering in July 2011 and will need to be replenished from special offerings at Presbytery meetings. It is to be used for assistance to smaller churches with membership of less than 100 people for expenses related to a pastor's sabbatical. A maximum of \$600 can be applied for at any one time for any one sabbatical. This fund is administered by the Committee on Ministry.

### **3002-27 - Latinx Ministries (Expenditures)**

This fund consists of special offerings, gifts, and grants received by Presbytery for the support of its Latinx ministries, in particular, Iglesia Presbiteriana Nueva Vida. This fund is administered by the Committee on Church Transformation.

### **3002-32 - CPM Scholarships (Expenditures)**

This expenditure fund started with an offering at an installation in 2014 and is replenished by designated offerings at installations. It is used to provide assistance to inquirers and candidates as they pursue their theological education. This fund is administered by the Committee on Preparation for Ministry.

### **3002-33 - Matthew 25 Food Project (Expenditures)**

This fund consists of special offerings, gifts, and grants for Presbytery's Matthew 25 Food Project. It is used to pay salaries, provide supplies, and pay incidental costs. This fund is administered by the Food Project Team of the Committee on Mutual Support. If the Matthew 25 Food Project is terminated, any money left in this fund will be transferred to another fund used to alleviate hunger, such as 3002-01 – Centsability.

### **3002-50 - St. Andrews Fund (Loans)**

This fund is to be used to pay for repairs to small churches of less than 100 members, especially emergency or urgently needed repairs for which the church does not have a readily available source of funding. Applicants must submit a request to the Finance Committee stating the nature and cost of the repairs and providing financial information demonstrating the church's ability to repay the loan. If the Finance Committee approves the request, it will propose terms for the loan, including a repayment plan. Interest will be charged at the same rate as loans made by the Presbyterian Loan and Investment Program (PILP). The intent is for this process to be simple, quick, and uncomplicated. The Finance Committee may limit a loan to less than 100% of the expected repair costs in order to maintain a sufficient balance in the fund to meet other needs. This fund is administered by the Finance Committee in consultation with the Administrative Committee and the Committee on Ministry. Committee on Ministry members who become aware that a small church needs financial assistance to repair its building should make the church aware of this resource.

### **3002-52 – Meeting scholar/preacher (Expenditures)**

This fund originated from a donor restricted gift to be used to “bring noted scholars or preachers to Presbytery or other meetings for enrichment and inspiration of excellence from an outside voice.” This fund is administered by the Committee on Leadership Development. When monies in this fund have been exhausted, it will be deleted and requests will be directed to 3001-13.

### **3002-62 - Pastor to Pastor (Expenditures)**

This fund receives individual contributions and grants. It is used to reimburse expenses such as mileage and meals that volunteer pastors incur as they meet with other pastors through Presbytery's Pastor to Pastor program. This fund's primary donor requires a report each year listing recipients and how funds were spent. This fund is administered by the Committee on Ministry.

### **3002-63 – Disaster Assistance Fund (Grants)**

This fund receives contributions and grants to assist the victims of natural and other disasters, such as floods, tornadoes, and displacement due to war or persecution. The fund focuses primarily but not exclusively on disasters that affect Middle Tennessee. Money contributed with respect to a specific disaster will be used for that

purpose to the extent it is needed and can be used effectively; otherwise, it may be redeployed to areas of greater need. The money received will be distributed in the form of grants to relief organizations located in the area where recovery work is being undertaken. Wherever possible grants will be directed to Presbyterian churches or agencies that are engaged in disaster relief. This fund is administered by the Executive Presbyters and the Finance Committee.

## **Pass-Through Funds**

### **3002-34 – Mburu Family Fund**

This temporary fund was established to receive and distribute money contributed to Presbytery for the purpose of assisting Rev. Lucas Mburu and his family during Rev. Mburu's five-year doctoral study program at Vanderbilt Divinity School. This fund was established by the Finance Committee in May 2021 and Ann Waddle, RE, Clarksville FPC and the Executive Presbyters administer this fund. This fund's end date will be the earlier of the completion of that study program, anticipated as summer 2026, or when Rev. Mburu ceases his Vanderbilt Divinity School studies.

## **Designated Funds**

### **3001-01 – Allowance for Church Defaults (Expenditures)**

This fund was established to offset Presbytery's deficiency exposure on any member church's defaulted loan or mortgage on which Presbytery is contractually liable. This was funded by investment income and is administered by the Administrative and Finance Committees.

### **3001-04 – New Church Development and Church Transformation (Grants and Expenditures)**

This fund consists of money received from the sale of church properties or from the closure and dissolution of churches within the Presbytery. If the balance is low, it may also be funded by transfers from reserves. It is to be used to establish and develop new worshipping communities or to revitalize and redevelop existing churches with a comprehensive plan. This fund is administered by the Committee on Church Transformation.

This fund can also be used by administrative commissions tasked with dissolving a church to pay the necessary expenses associated with closing the church and selling the church property. Such disbursements are to be reimbursed from the sale of church assets once the administrative commission's final report is received by the Presbytery. In order to ensure that adequate funds are available for administrative commission work, this fund is to maintain a balance of at least \$20,000.

### **3001-08 – New Church Development and Church Transformation - Upper Cumberland Counties (Grants and Expenditures)**

Previously called "Sparta Dissolution", this fund was created from the dissolution of First Presbyterian Church of Sparta, Tennessee, and is set aside for ten years in a designated fund to be used in the Upper Cumberland counties of the Presbytery of Middle Tennessee to establish and develop new worshipping communities or to revitalize and redevelop existing churches with a comprehensive plan. This fund is administered by the Committee on Church Transformation. If this fund has not been exhausted by the end of 2031, the remaining balance will be transferred to 3001-04 and made available for similar purposes in any area of Middle Tennessee.

### **3001-10 - Youth and Young Adult Support Fund (Grants)**

This fund consists of money set aside by Presbytery to be used after the Youth and Young Adult Support Restricted Fund, No. 3002-10, has been exhausted. It is to provide funds to pay the expenses of youth who need financial assistance to attend Triennium, General Assembly, or other denominational events. A letter from the applicant's Pastor or the Clerk of Session certifying the need of the individual and their family will suffice as the grant application. This fund is administered by the Committee on Mutual Support.

### **3001-11 – Connectional Development Fund (Expenditures)**

This fund consists of money set aside by the Presbytery to be used to build community and relationships within the Neighborhoods of the Presbytery. This fund is administered by the Committee on Mutual Support.

### **3001-12 – Social Media and Technology Fund (Grants)**

This fund originated from a \$30,000 transfer from the Allowance for Church Defaults and a \$35,000 block grant on October 26, 2021 from the Synod of Living Waters. The fund's purpose is to assist the presbytery and its member churches address their technology needs, including the development of a social media presence and the purchase of expertise and electronic equipment to advance their ministry and worship in the 21st century. A report of the amounts and uses of the Synod's portion of the fund is to be made annually by Presbytery's Executive Presbyters to the Synod. The first \$35,000 of expenditures from this fund will come from the Synod grant and any portion of the Synod's grant not used by December 31, 2024, is to be returned to the Synod. This fund is administered by the Committee on Mutual Support.

### **3001-13 Leadership Development and Education Fund (Expenditures)**

This fund consists of money set aside by the Presbytery to be used for educational events within the Presbytery and will be utilized after the three restricted funds with similar purposes (3002-12, 3002-18 & 3002-52) have been exhausted. This fund is administered by the Committee on Leadership Excellence.

### **3001-14 – Mediation Fund (Expenditures)**

This fund consists of money set aside by the Presbytery to help churches address situations of serious conflict, by covering the expense of utilizing trained mediators within the Presbytery or by hiring outside mediators or consultants, with the Committee on Ministry's approval. The churches involved will be asked to match monies used from this fund. This fund is administered by the Committee on Ministry.

### **3001-15 – Matthew 25 Fund (Grants)**

This fund was initiated by transferring \$100,000 from the Allowance for Church Defaults – 3001-01- and will be funded in the future from grants and gifts. Up to \$5,000 will be awarded to churches of the Presbytery for mission initiatives that are new, imaginative and potentially risky, and are defined by one of the foci in the Presbytery's commitment to be a Matthew 25 mid-council, as follows: building congregational vitality, dismantling structural racism, or eradicating systemic poverty. This fund is administered by the Committee on Church Transformation.

## **Endowment Funds**

### **3003 - Joe Hutton Endowment Fund**

This fund originated from a gift by Joe Hutton, a ruling elder at First Presbyterian Church Nashville, to support the mission and operations of Presbytery. It is treated as a functional endowment from which annual disbursements of distributable earnings, up to 7% of the average annual value of the fund over the preceding three years, can be made to help fund the annual operating budget. This fund is administered by the Finance Committee's Investment Task Force, which determines the amount to be withdrawn each year for use in funding current expenditures.

## **Committee Responsibilities for Fund Administration**

### **Administrative Committee**

- 3002-50 St. Andrews Fund
- 3001-01 Allowance for Church Defaults

#### Finance Committee

- 3002-50 St. Andrews Fund
- 3002-63 Disaster Assistance
- 3001-01 Allowance for Church Defaults
- 3003 Joe Hutton Endowment Fund

#### Committee on Ministry

- 3002-06 Pastoral Care
- 3002-26 Sabbatical Assistance
- 3002-62 Pastor to Pastor
- 3001-14 Mediation Fund

#### Committee on Preparation for Ministry

- 3002-32 CPM Scholarships

#### Committee on Church Transformation

- 3002-27 Latinx Ministries
- 3001-04 Development and Church Transformation
- 3001-08 Development and Church Transformation-Upper Cumberland
- 3001-09 Matthew 25 Fund

#### Committee on Leadership Excellence

- 3002-12 Women in Ministry
- 3002-18 Leadership Development and Education
- 3002-52 Meeting Scholar/preacher
- 3001-13 Leadership Development and Education Fund

#### Committee on Mutual Support:

- 3002-01 Centsability
- 3002-02 Peace and Global Witness
- 3002-10 Youth and Young Adult Fund
- 3002-33 Matthew 25 Food Project
- 3002-05 Guatemalan Support Funds
- 3001-10 Youth and Young Adult Fund
- 3001-11 Connectional Development Fund
- 3001-12 Social Media and Technology Fund



**Presbytery of Middle Tennessee  
1113 Murfreesboro Road Ste 106 Box 216  
Franklin, Tennessee 37064**

## GRANT APPLICATION

Part of the mission of The Presbytery of Middle Tennessee (PMT) is to support various Presbyterian-affiliated activities, organizations and programs that assist those in need and support spreading the good news of Jesus. In order to be good stewards of the resources available, PMT established a process to evaluate requests for financial support. That evaluation process includes gaining an understanding of the applicant's mission, organizational structure, governance, financial operations, and leaders' qualifications. This application will aid PMT in its evaluation process. Criteria for grants are as follows: 1) applicant's activities shall be consistent with the Christian beliefs of the PCUSA, 2) applicant's activities shall be conducted primarily in Middle Tennessee, and 3) applicants shall be established organizations with good governance and sound financial controls.

**Submit application by August 1<sup>st</sup> to be included in the presbytery's budget for the following year. Application should be completed in full, but for any questions that do not apply to your organization, please so indicate and provide an explanation.**

**\*\*\* Complete form by typing responses INSIDE gray, shaded areas and modify pagination as needed, OR print to complete by hand. \*\*\***

***If you choose to complete gray, shaded areas and return via e-mail, please include your organization's name in the saved file name.***

**Date Application Submitted:** \_\_\_\_\_

**Amount requested: \$** \_\_\_\_\_

**Calendar Year of Funding Request:** \_\_\_\_\_

**Specific Description of How the Requested Funds Will Be Used:** \_\_\_\_\_

## I. Organization Information

Organization Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Street Address, if different: \_\_\_\_\_

Telephone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Website (if available): \_\_\_\_\_

Contact Person: \_\_\_\_\_

Contact Person's Telephone #: \_\_\_\_\_

Contact Person's E-dress: \_\_\_\_\_

## II. Organization Overview

A. Purpose / Mission Statement:

B. Relationship to a PCUSA church and/or Presbytery of Middle Tennessee:

C. Description of Organization's Activities:

D. Other Sources of Financial Support, and their Amounts:

### III. Church or PMT Committee Support

Please identify the church or PMT committee that works most closely with your organization.

Name of Church or PMT Committee: \_\_\_\_\_

If a Church, Name of Pastor, Supply, or Clerk of Session: \_\_\_\_\_

If a PMT Committee, Main Contact Person: \_\_\_\_\_

Comments of Endorsing Church or PMT Committee: \_\_\_\_\_

Description of Church's or PMT Committee's Member's Activities with Organization: \_\_\_\_\_

If a Church, description of Financial Support of Organization: \_\_\_\_\_

### Attachments\*

- A. Evidence of Non-Profit Status – 501(c)(3) – First Time Applicants Only
- B. Administration: List of Current Board/Committee Members, Officers and Functional Department Heads
- C. Current YTD income and expense statement and balance sheet
- D. Current Year Budget (if not incorporated into income and expense statement)
- E. Following Year Budget, if available. (Same year for which funding is being requested)

(\*Requested attachments should be emailed to the presbytery office: [pbymidtnoffice@gmail.com](mailto:pbymidtnoffice@gmail.com))

Depending on the nature and specifics of the request, additional information may be required. Applicants should feel free to schedule an in-person or online meeting to discuss the application.



### **Operating Guidelines**

The Hunger Program is a ministry of the Committee on Mutual Support of the Presbytery of Middle Tennessee and follows the policies and guidelines of The Presbyterian Hunger Program based on the "Common Affirmation on Global Hunger" as amended by the 203<sup>rd</sup> General Assembly of the Presbyterian Church (USA) in 1991.

#### **Priorities**

The Hunger Program shall assist the church to address hunger-related issues through:

1. **Direct Food Relief** - Providing food relief to hungry people through food supplements and feeding programs in local communities.
2. **Developmental Assistance** - Providing programs that combat hunger through integrated development and empowerment of people in such areas as agricultural training, nutrition education, economic development, and community organization.
3. **Influencing Public Policy** - Providing advocacy and support in just and peaceful means for policy changes that will provide food for poor and hungry people, empower their self-development, and enable them to be free from oppressive and unjust systems that fail to meet their basic needs.
4. **Life-style Integrity** - Fostering corporate and family lifestyles sensitive to the reality of the earth's limited resources and the critical needs of the human family.
5. **Education and Interpretation** - Providing resources and training strategies to educate about the root causes of hunger and motivate people to action.

#### **Criteria for Grants**

1. The proposed program shall be consistent with at least one of the five priorities of The Hunger Program.
2. The proposed program shall work to alleviate hunger and poverty or to eliminate their causes.
3. The proposal shall come from an established organization.
4. The maximum grant awarded will be \$4,000 to any organization.

#### **Application Procedures**

1. Grant requests will be accepted year-round.
2. Organizations applying for grants should:
  - a. Fill out the Hunger Funding Application in full.
  - b. Provide a letter of endorsement from a Presbyterian Church (USA) congregation.
  - c. Mail one copy of the completed application to:  
The Presbytery of Middle Tennessee  
1113 Murfreesboro Rd.,  
Suite 106, #216 Franklin, TN 37064  
(615) 332-3330
  - d. Schedule an on-site visit from the Hunger Action Advocate
3. Applications will be reviewed upon receipt and will be followed up with an "on site" visit from a member of the Hunger Program of the Presbytery.
4. Grants awarded in good faith based on offerings received through Cents-Ability Program (4 Cents a Meal/5 Cents a Meal Offering) throughout the congregations of the Presbytery of Middle Tennessee.

Presbytery of Middle Tennessee  
Hunger Program

HUNGER FUNDING APPLICATION 2023

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

Funding Request: \_\_\_\_\_

I. General Information

Name of Organization: \_\_\_\_\_

Address: \_\_\_\_\_ Hours: \_\_\_\_\_

\_\_\_\_\_ County: \_\_\_\_\_

Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Position: \_\_\_\_\_

Address & Telephone: (if different from above) \_\_\_\_\_

\_\_\_\_\_ E-mail: \_\_\_\_\_

Signature of Contact Person: \_\_\_\_\_

II. Ministry of the Organization: *(please use back or additional sheets of necessary)*

A. Mission Statement

B. Relationship to Priorities of the Presbyterian Hunger Program  
(Describe how your program relates to at least one of the following priorities.)

1. Direct Food Relief
2. Development Assistance
3. Influencing Public Policy
4. Life-Style Integrity
5. Education & Interpretation

II. Ministry of the Organization (continued):

- C. Other Collaborating Agencies and Supporting Network Function  
(FEMA, United Way, churches, community agencies, etc.)

III. Description of Program *(please use back or additional sheets if necessary)*

- A. General Description of All of the Organization's Activities  
(Types of assistance given, guidelines used, number of people served/families assisted - unduplicated)

- B. Specific Description of Food/Feeding Program  
(Type of assistance, days/hours, number of people/families served, number of meals/food boxes given)

- C. Administration of Program  
(Director, staffing, paid/volunteer ratio)

IV. Attachments

- Non-profit Status - 501(c)(3)  
Current List of Board/Committee Members & Officers  
Revenue Budget Sheet (Actual Year & Projected Year)  
Expense Budget Sheet (Actual Year & Projected Year)

Name of Church: \_\_\_\_\_

Name of Pastor, Supply, or Clerk of Session: \_\_\_\_\_

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

1. Comments of endorsing congregation:

2. Do members of your congregation actively participate in this mission and in what capacity?  
Please list (example: volunteer at the agency, board of directors, planning team, etc.)

3. Does your congregation give direct financial support to this mission?

Yes       No

4. If yes to financial support, please specify:

Individual designated giving       Line - item budget amount \_\_\_\_\_

5. Does your congregation participate in One Great Hour of Sharing?

Yes       No

6. Does your congregation participate in the Cents-Ability (4 Cents/5 Cents a Meal) offering?

Yes       No       Please send us information on the program

7. Is your congregation involved in any other hunger program?

Souper Bowl of Caring

CROP Walk

Second Harvest Food Bank

Kid's Café/Back Pack programs

Community gardens

Plant-a-Row for the Hungry

Food Pantry at your church

Martha O'Bryan Food Pantry

Feeding program at church

Community Food Advocates/MANNA

Other (please specify) \_\_\_\_\_

## REVENUE BUDGET SHEET

	Budget for Current Year	Budget for Projected Year
<b>INCOME</b>		
<b>A. Self-Generated</b>		
1. Membership Fees		
2. Sales		
3. Other (please specify)		
<b>B. Government Grants</b>		
1. FEMA		
2. MCCA		
3.		
<b>C. Community Grants (business, civic, private)</b>		
1. United Way		
2.		
3.		
4.		
5.		
6.		
<b>D. Church Affiliated Contributions (list)</b>		
1.		
2.		
3.		
<b>E. Interest Income</b>		
<b>F. Other Income _____</b>		
<b>TOTAL CASH REVENUES</b>		
<b>G. Value of In-Kind Services/Contributions</b>		
1. Food (approx. value @ \$1.00 a pound)		
2. Clothing (approx. value @ .25 an item)		
3. Volunteer Hours _____ @ \$5.00 per hour		
4. Other		
<b>TOTAL IN-KIND REVENUES</b>		

## EXPENSE BUDGET SHEET

	Budget for Current Year	Budget for Projected Year
<b>PERSONNEL EXPENSES</b>		
A. Salaries (please list individually)		
1.		
2.		
3.		
4.		
5.		
B. Fringe Benefits		
1. FICA		
2. Medical Insurance		
3. Pension		
4. Other		
C. Consultants and Contract Services		
1. Audit		
2. Legal		
3. Outside Training		
4. Other		
<b>PERSONNEL SUB-TOTAL</b>		
<b>OPERATING COSTS</b>		
A. Space		
1. Rent/Mortgage		
2. Utilities (do not include phone)		
3. Other _____		
B. Telephone		
C. Equipment		
1. Office		
2. Other _____		
D. Supplies		

**EXPENSE BUDGET SHEET CONTINUED**

	Budget for Current Year	Budget for Projected Year
E. Travel		
1. Local		
2. Out of Town		
F. Other Operating Costs		
1. Postage		
2. Books and Subscriptions		
3. Insurance		
4. Other _____		
<b>OPERATING COSTS SUB-TOTAL</b>		
<b>PROGRAM COSTS</b> (not included above)		
A. Food Assistance		
1. Purchased from Food Bank _____		
2. Purchased locally		
3.		
B. Clothing Assistance		
C. Furniture Assistance		
D. Rent/Housing Assistance		
E. Utilities Assistance		
F. Telephone Assistance		
G. Medical Assistance		
1. Prescriptions		
2. Doctors		
3. Insurance		
4.		
H. Other _____		
<b>PROGRAM COSTS SUB-TOTAL</b>		
<b>TOTAL EXPENDITURES</b> (Personnel, Operating, and Program)		







**Presbytery of Middle Tennessee  
Monthly Financial Internal Review**

**[Date]**

Documents

- General Ledger \_\_\_\_\_
- Bank Statement \_\_\_\_\_
- Bank Reconciliation Summary \_\_\_\_\_
- Bank Reconciliation Detail \_\_\_\_\_
- Stmt of Assets, Liabilities and Fund Balance \_\_\_\_\_
- Actual to Budget Receipts and Disbursements \_\_\_\_\_

General Ledger Review:

- Checks are numbered and none appear to be out of sequence \_\_\_\_\_  
Beginning \_\_\_\_\_ Ending \_\_\_\_\_
- Voided checks \_\_\_\_\_
- Deposits are dated and agree to the bank dates (within a reasonable time)  
\_\_\_\_\_

Transaction Review:

- Any significant unexplained entries \_\_\_\_\_
- Board of Pensions in line with prior months \_\_\_\_\_
- Payroll in line with prior months \_\_\_\_\_
- Debits and Credits in balance \_\_\_\_\_

Reconciliation Review:

- Ledger and bank reconciliation balances agree \_\_\_\_\_
- Reconciling items are current \_\_\_\_\_
- Reviewed a sample of check copies for payee and signature \_\_\_\_\_

Comments:

Reviewed by: \_\_\_\_\_

Date of review: \_\_\_\_\_

Date sent to Treasurer and Executive Presbyters: \_\_\_\_\_

Prepared for the Presbytery of Middle Tennessee by Anders Hall  
Effective July 2021

## Introduction

This Statement of Investment Policy (“SIP”) is the governing document for the Presbytery of Middle Tennessee (“Presbytery”) to follow for the management of the investment portfolio entrusted to the Presbytery, and includes details regarding investment objectives, risk tolerance, and spending expectations. The information contained within the SIP serves as the foundation for an appropriate and effective investment plan.

## Portfolio Purpose and Background

The Investment Task Force believes that distributions to be made in the future are as important as grants made today. This is consistent with the philosophy that the Presbytery is to exist in perpetuity and, therefore, should provide services in perpetuity. To attain this goal, the overriding investment objective of the Presbytery is to maintain purchasing power while carrying out the mission of support. The Investment Task Force balances the Presbytery’s shorter-term obligations with its goal to provide distributions consistent with a spending policy which is determined by the Finance Committee.

## Overall Risk Tolerance and Investment Objective

We recognize that no investment is free from risk, and are mindful of the following risk categories and definitions in making investment decisions:

- **Volatility Risk:** “Volatility risk” is the potential for loss in the value of the portfolio due to year-to-year fluctuations in return relative to the one-year expected return.
- **Concentration Risk:** “Concentration risk” is the potential for loss in the value of the portfolio due to a substantial overweight in any sector, sub-sector, industry, or security.
- **Credit Risk:** “Credit risk” is the potential for loss in the value of the portfolio due to a decline in the credit-worthiness of an investment.
- **Inflation Risk:** “Inflation risk” is the loss of purchasing power due to the decline in value of the monetary unit on which the investment is based.
- **Liquidity Risk:** “Liquidity risk” is the inability to sell an investment in a timely manner without offering a discount to its fair value.

## **Time Horizon**

The time horizon for this portfolio is greater than 10 years.

## **Liquidity Needs**

The portfolio always should maintain liquidity for short-term cash flow needs over at least the next year.

## **Distribution Needs**

Cash will be distributed upon the request of the Finance Committee.

## **Income Tax Considerations**

The Investment Task Force constructs this portfolio without a need to consider the taxability of ordinary income and capital gains from investments. Unrelated business tax income may be a consideration.

## **Investment Authority**

The investment authority has been delegated to the Investment Task Force who is responsible for the investment management of the portfolio within the guidelines of this SIP.

## **Social Investment Restrictions and Special Instructions**

Unless there are constraints described elsewhere in this document, none of the current portfolio assets are subject to a social investment restriction.

However, the Finance Committee reserves the right to restrict future investments by:

- Asset class;
- Security type;
- Economic sector;
- Industry;
- Issuer; and
- Country of issuer.

Any restrictions will be added to this SIP.

## Portfolio Transition

As of May 2021, the portfolio was invested with an allocation of approximately 43% to public equities and a 57% allocation to fixed income, cash, and cash equivalents. As the portfolio's bond investments mature, the cash proceeds will be invested in equities over time. This results in an equity target that increases in a generally linear fashion until reaching 60% in August 2022.

Date	Equity Target
May 31, 2021	43%
June 30, 2021	44%
September 30, 2021	48%
December 31, 2021	51%
March 31, 2022	54%
June 30, 2022	58%
August 31, 2022	60%

## Long-Term Asset Allocation

By August 2022, the portfolio will be invested in accordance with the policy maximum and minimum range for each asset category described below. The asset allocation, strategic target, and policy maximum and minimum levels have been established in accordance with the overall risk and return objectives of the portfolio. These asset classes and ranges are reviewed regularly, and may change over time.

Since the Presbytery's total portfolio is broadly diversified with respect to asset classes, the Investment Task Force is allowed latitude in constructing the components of the total portfolio as described below.

Asset Class	Strategic Target	Policy Range
Cash and Cash Equivalents	10%	0% to 20%
Fixed Income	30%	20% to 40%
Other Asset Classes	0%	0% to 10%
Equities	60%	50% to 70%
<b>Totals</b>	<b>100%</b>	

## Investment Implementation

The Investment Task Force believes in capital market efficiency and the mitigation of investment expenses, with simplification an overarching objective. For these reasons, we believe that passive investments through a limited number of commingled vehicles optimizes the potential for long-term investment success. A description of the current investment vehicles is shown in Appendix A, and the post-transition investment vehicles in Appendix B.

## Rebalancing Strategy

Rebalancing the portfolio allocation with the policy strategic target allocation ranges for the various asset classes serves the purpose of maintaining the risk and expected return of the portfolio within parameters stated in the SIP. Reallocations among asset classes shall reflect the following considerations:

- Generally maintain the strategic allocation targets over time; and
- The Investment Task Force will rebalance the portfolio with the asset allocation ranges stated herein, when the risk and expected reward potential is perceived to be such that an asset class weighting should be tilted toward the approved policy maximum or minimum.

## Performance Benchmarks and Measurement

Performance will be reviewed monthly.

Investment performance of the portfolio is measured against a blended portfolio benchmark. The target weight of each asset class benchmark, as derived from the portfolio's investment objective and asset allocation, is combined to define the blended benchmark for the portfolio. The assigned benchmark and weighting for each asset class within the investment objective are reviewed regularly and may change over time.

Based on the current investment objective, the portfolio will be monitored in comparison to the following benchmark:

<b>Asset Class</b>	<b>Strategic Target</b>	<b>Benchmark</b>
Cash and Cash Equivalents	10%	3-Month Treasury Bill Index
Fixed Income	30%	Bloomberg Barclays US Aggregate Index
Equities	60%	S&P 500 Index
<b>Totals</b>	<b>100%</b>	

## Updating Information

This SIP shall be reviewed at least once annually. This SIP may be modified in whole or in part at any time. The Investment Task Force will make adjustments to this SIP consistent with its understanding of the purpose, return objectives, and risk tolerance appropriate for this portfolio.

## Appendix A

### Current Investment Vehicles (as of May 31, 2022)

Cash and Cash Equivalents

Bonds

Equity Exchange-Traded Funds:

<b>Equity ETF</b>	<b>Ticker</b>	<b>Description</b>
iShares Select Dividend ETF	DVY	Tracks the Dow Jones Select Dividend Index
SPDR S&P 500 ETF	SPY	Tracks the S&P 500 Index
Vanguard FTSE All-World ex-US ETF	VEU	Tracks the FTSE All-World ex-US Index
Vanguard Small-Cap ETF	VB	Tracks the CRSP US Small-Cap Index

# Appendix B

## Post-Transition Investment Vehicles (by August 31, 2022)

### Cash and Cash Equivalents

#### Vanguard LifeStrategy® Moderate Growth Fund (ticker: VSMGX):

Fact sheet | March 31, 2021



## Vanguard LifeStrategy® Moderate Growth Fund

Balanced fund (stocks and bonds)

### Fund facts

Risk level Low ← → High					Total net assets	Expense ratio as of 02/26/21	Ticker symbol	Inception date	Fund number
1	2	3	4	5	\$20,337 MM	0.13%*	VSMGX	09/30/94	0914

### Investment objective

Vanguard LifeStrategy Moderate Growth Fund seeks to provide capital appreciation and a low to moderate level of current income.

### Investment strategy

The fund invests in other Vanguard mutual funds according to a fixed formula that reflects an allocation of approximately 60% of the fund's assets to common stocks and 40% to bonds. The targeted percentage of the fund's assets allocated to each of the underlying funds is: Vanguard Total Stock Market Index Fund 36%, Vanguard Total Bond Market II Index Fund 28%, Vanguard Total International Stock Index Fund 24%, and Vanguard Total International Bond Index Fund/Vanguard Total International Bond II Index Fund 12%.

The fund's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid-, and small-capitalization stocks. The fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and investment-grade U.S. corporate bonds; mortgage-backed and asset-backed securities; and government, agency, corporate, and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar (but hedged by Vanguard to minimize currency exposures).

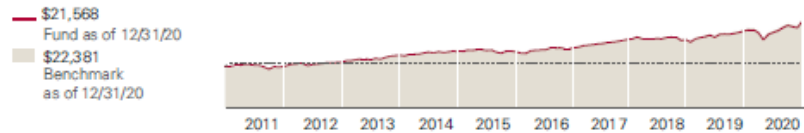
For the most up-to-date fund data, please scan the QR code below.



### Benchmark

Moderate Growth Composite Index

### Growth of a \$10,000 investment : January 31, 2011 – December 31, 2020



### Annual returns

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund	0.26	11.76	15.04	7.07	-0.57	7.13	15.04	-4.91	19.37	13.59
Benchmark	1.67	11.89	15.36	7.35	-0.39	7.37	15.19	-4.81	19.67	14.50

### Total returns

	Periods ended March 31, 2021					
	Quarter	Year to date	One year	Three years	Five years	Ten years
Fund	1.93%	1.93%	32.92%	9.75%	9.76%	7.94%
Benchmark	1.98%	1.98%	33.22%	10.22%	10.10%	8.36%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

### Allocation of underlying funds†



Total Stock Market Idx Fund	36.4%	Total Intl Bnd Idx Fund	11.3
Total Bond Mkt II Idx Fund	27.6	Total Intl Bnd II	0.4
Total Intl Stock Idx Fund	24.3		

†Fund holdings are subject to change.



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2

## Presbytery of Middle Tennessee

3

### Church Property Sale Policy

4

A variety of situations can result in the need to transfer the legal ownership of all or part of a church's real estate to another party. The following is an outline of those situations and guidelines for dealing with how they affect property transfers within the Presbytery of Middle Tennessee (PMT).

5

6

### Property Sales Involving Dissolution/Merger

7

If a church's dissolution or merger is proposed, an Administrative Commission shall be elected and charged with overseeing the activities involved with the proposed action. The Book of Order contains the following provisions:

8

9

"...the presbytery has authority to ... control the location of new congregations and of congregations desiring to move as well as to divide, dismiss, or dissolve congregations in consultation with their members." (G-3.0303b.)

10

11

"Whenever a congregation is formally dissolved by the presbytery, or has become extinct by reason of the dispersal of its members, the abandonment of its work, or other cause, such property as it may have shall be held, used, and applied for such uses, purposes, and trusts as the presbytery may direct, limit, and appoint, or such property may be sold or disposed of as the presbytery may direct, in conformity with the Constitution of the Presbyterian Church (U.S.A.)." (G-4.0205)

12

13

14

15

16

17

"A congregation shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property subject to an encumbrance or condition without the written permission of the presbytery transmitted through the session of the congregation." (G-4.0206a.)

18

19

20

21

The Standard Charge<sup>1</sup> to a PMT Administrative Commission contains the following:

22

23

"If the administrative commission believes it is in the best interest of the church to close, it shall ... assist the session and members to wind up the affairs of the church ...."

24

25

26

27

"The administrative commission ... is authorized to take possession of all real and personal property, financial records, inventories of equipment, and any other assets, and arrange for transfer of title to the Presbytery of all accounts and real property known to be in possession of the ... church."

28

29

30

31

"The administrative commission shall consult with the session of the ... church ... regarding requests the congregation may have related to the disposition of equipment and memorials and other property of the church."

32

33

34

35

"The administrative commission shall confer with the Trustees of the Presbytery of Middle Tennessee regarding the use and/or disposal of the property of the ... church. The Trustees of presbytery shall be

36

<sup>1</sup>The standard charge language is based on the Presbyterian Church (U.S.A.) Constitutional Musing titled, Dissolution of a Congregation, dated December 17, 1996, and the Presbyterian Church (U.S.A.) Advisory Opinion titled, Administrative Commissions, updated December 2012.

1 responsible for the property, until such time as presbytery approves the disposition of the property. The  
2 administrative commission shall make a recommendation to the Presbytery of Middle Tennessee, in  
3 consultation with the Trustees of presbytery, regarding the disposition of the property of the ... church.”  
4

5 “The Trustees of presbytery shall have claim, on behalf of the Presbytery of Middle Tennessee, to any  
6 property of the ... church ... not known at this time or property which may come to the ... church ... as  
7 the beneficiary of a will or trust not known at this time.”  
8

9 Title to the church’s property will normally be transferred to the presbytery to await a final decision regarding  
10 the property’s disposition. There are guidelines listed below that could be valuable to an Administrative  
11 Commission. Many of them are “common sense” guidelines which address points that could be easily  
12 overlooked when dealing with church property matters.  
13

### 14 **Property Sales Not Involving Dissolution/Merger**

15 A church may decide to sell part of its property, such as a manse that is no longer being used, or excess land that  
16 not being used. A church may decide to sell property that was gifted to the church but is not being used by the  
17 church.

18 There are several steps that would normally be followed for most all transfers of church property, as follows:

19 Confirm that the church has clear title to the property. This will normally be done by an attorney, who  
20 will confirm that the property is not subject to any leases, liens, property line disputes, zoning problems,  
21 unusual easements, environmental problems, etc.

22 Clarify whether title to the property is to be transferred to the presbytery while awaiting sale, or title is  
23 to remain in the church’s name until it is sold.

24 Gain prior approval of the presbytery’s Finance Committee, followed by the approval of the presbytery  
25 at a stated or called meeting, before executing a contract for sale and/or accepting a purchase price.  
26 The Finance Committee may impose conditions on the sale.

27 Clarify prior to the sale how the proceeds of the sale will be restricted and/or distributed. Confirm what  
28 personal property, if any, is proposed to be conveyed with the church building. Consult with the session  
29 of the church to determine whether members of the church have expressed any specific requests or  
30 recommendations concerning the disposition of any items of personal property, memorials, etc. owned  
31 by the church.

32 Have the property appraised by a licensed real estate appraiser. If an appraisal is not feasible, the sale  
33 should be conducted using a closed bid process. Care should be taken to ensure that bidders have no  
34 conflict of interest.

35 If the property is in an area that has a vibrant/growing population, the preferred selling method is to use  
36 a real estate agent to sell the property.

37 Confirm what official session and/or trustee action is required to proceed with the sale and whose  
38 signature(s) will be needed to execute the appropriate documents. Ensure that the signatories of  
39 documents required by the Presbytery conform to the Mission and Operations Manual.

1 If required, ensure that a congregational meeting is held at which sale of the property is approved;  
2 ensure that the results of the congregational meeting are properly documented.

3 Clarify who is to manage the property until it is sold. Ensure that the property to be sold is kept properly  
4 maintained and secure until it is sold, including proper heating (to prevent frozen pipes), lawn/grounds  
5 maintenance, etc. Confirm that property is insured while it is for sale, naming the Presbytery as an  
6 additional insured.

7 Use a real estate attorney to prepare and review all documents that are needed for the transaction:  
8 contract for sale, deed, lien discharge, lease, etc.

9 All costs related to the sale of the property (maintenance, insurance, fees, etc.) will be paid out of the  
10 proceeds of the sale.

### 11 **Churches Not Subject to Presbytery Property Control**

12 Churches in the presbytery that elected within the required period to be exempt from the denomination's and  
13 therefore presbytery's restrictions relating to property are not subject to the guidelines in this document, but  
14 are subject to the "trust clause" limitation mentioned in note 1) below.

15  
16 The Book of Order contains the following:

17  
18 "The provisions of this chapter [Selling, Encumbering, or Leasing Church Property] shall apply to all  
19 congregations of the Presbyterian Church (U.S.A.) except that any congregation which was not subject  
20 to a similar provision of the constitution of the church of which it was a part, prior to the reunion of the  
21 Presbyterian Church in the United States and The United Presbyterian Church in the United States of  
22 America to form the Presbyterian Church (U.S.A.), has been excused from that provision of this chapter  
23 if the congregation, within a period of eight years following the establishment of the Presbyterian  
24 Church (U.S.A.), voted to be exempt from such provision in a regularly called meeting and thereafter  
25 notified the presbytery of which it was a constituent congregation of such vote. The congregation voting  
26 to be so exempt shall hold title to its property and exercise its privileges of incorporation and property  
27 ownership under the provisions of the Constitution to which it was subject immediately prior to the  
28 establishment of the Presbyterian Church (U.S.A.). This paragraph may not be amended (G-6.05)." (G  
29 4.0208)

30  
31 Below is a list of those PMT churches that exercised their option under the Book of Order to be exempt from the  
32 provisions concerning the acquisition and disposal of church property:

33

Belfast	Lynnville, First	Shelbyville, First
Brentwood, Brentwood First	Manchester, First	Smyrna, First
Clarksville, First	Murfreesboro, First	Spring Hill, First
Columbia, Westminster	Murfreesboro, Northminster	Thompson Station, Bethesda
Franklin, New Hope	Nashville, Donelson	
Gallatin, First	Nashville, Downtown	
Hendersonville, First	Nashville, First	
Hermitage	Nashville, Glen Leven	
Lawrenceburg, First	Nashville, Hillwood	
Lewisburg, Bethbirei	Nashville, Trinity	
Lewisburg, First	Pulaski, Brick Church	

1  
2 Even though property decisions of the churches listed above are exempt from PMT control, two  
3 observations are noteworthy:  
4

5 1) All PCUSA churches are subject to the so-called “trust clause” of the denomination, which states the following:  
6

7 “All property held by or for a congregation, a presbytery, a synod, the General Assembly, or the Presbyterian  
8 Church (U.S.A.), whether legal title is lodged in a corporation, a trustee or trustees, or an unincorporated  
9 association, and whether the property is used in programs of a congregation or of a higher council or  
10 retained for the production of income, is held in trust nevertheless for the use and benefit of the  
11 Presbyterian Church (U.S.A.).” (G-4.0203)  
12

13 This essentially means that a church and its officers, regardless of how the church’s property originally came into  
14 ownership of the church, are holding the property for the use, mission and purposes of the denomination, and  
15 therefore do not have unlimited control of the property.  
16

17 2) Even if a church exercised its option to be exempt from the provisions concerning the acquisition and disposal of  
18 church property, there are guidelines in this document that could be valuable if followed. Many of them are  
19 “common sense” guidelines which address points that could be easily overlooked when dealing with church  
20 property matters.  
21

## 22 **Transfer of Church Property Titled in the Name of Presbytery of Middle Tennessee**

23

24 If PMT acquired property for a new church’s development, the title to that property should be transferred as soon as  
25 possible to the appropriate church entity, normally the trustees of the church corporation.  
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Approved Feb. 6, 2021



## Presbytery of Middle Tennessee - Remittance Form

Church Name \_\_\_\_\_

Contribution Type	Description/Special Instructions	Amount
Unified Pledged Giving		\$
Cents-a-bility/Cents-A-Meal		\$
Joy Gift		\$
One Great Hour of Sharing		\$
Peace & Global Witness		\$
Pentecost		\$
Theological Education		\$
Mission Personnel		\$
Guatemalan Mission		\$
Matthew 25 Food Bank		\$
Disaster Relief		\$
Other		\$
Other		\$
Other		\$
Other		\$
<b>Total Amount of Remittance:</b>		\$

<b>Remittance Address:</b> The Presbytery of Middle Tennessee 1113 Murfreesboro Rd., Suite 106, #216 Franklin, TN 37064	<b>ACH Instructions:</b> Pinnacle Financial Partners Routing/ABA Number: 064008637 Account Number: 5583110
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*If remittance is made electronically, please email Remittance Form to Gina at [acctg.midtennpres@gmail.com](mailto:acctg.midtennpres@gmail.com)*