



**MISSION DEVELOPMENT
RESOURCES COMMITTEE**

**MANUAL OF
ADMINISTRATIVE
OPERATIONS**

**THE OFFICE OF MISSION PROGRAM GRANTS
GENERAL ASSEMBLY COUNCIL, PRESBYTERIAN CHURCH (U.S.A.)
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Manual of Administrative Operations

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For information about General Assembly Mission Program Grants, please contact Tim McCallister or Bill Moore at the Office of Mission Program Grants, 100 Witherspoon Street, Louisville, KY 40202-1396, (888) 728-7228, Ext. 5230/5251, Fax: (502) 333-7251.

Applications are available in Microsoft Word format and may be obtained by downloading from the Mission Program Grants web page at www.pcusa.org/missionprogramgrants, or by e-mail from the Mission Program Grants office.

For information, procedures and guidelines about General Assembly Church Loans, please contact Jay Hudson, Ben Blake, Judy Walton or Eric Moore at the Investment & Loan Program, 100 Witherspoon Street, Louisville, KY 40202-1396, (800) 903-7457, or www.pcusa.org/pilp/loans.

Mission Development Resources Committee

Manual of Administrative Operations

Introduction

The Manual of Administrative Operations describes the work of the Mission Development Resources Committee (MDRC). The contents of the Manual remain flexible allowing amendments and additions to be made as recommended by the committee and approved by the General Assembly Council (GAC).

The Manual of Administrative Operations is made available to presbyteries, synods, entities of the General Assembly and other interested persons who are serving the church-at-large in understanding the work and basic procedures for the committee.

Mission Development Resources Committee

In 1988 the former Evangelism and Church Development Ministry Unit Committee appointed the MDRC to administer the Mission Program Grant and Church Loan programs. The primary focus of the MDRC is to respond faithfully to the church growth commitment of the Presbyterian Church (U.S.A.). This work is conducted in partnership with synods and presbyteries engaged in church growth mission through the allocation of grants and loans.

The MDRC implements its work and primary focus through the following functions:

- Allocation of Mission Program Grants for *new congregations* (new church development), *existing congregations* (congregational transformation), and *congregational-based ministries of compassion & justice*.
- Originate and oversee the repayment of GA loans to new and existing congregations for site acquisition, building construction, renovation, and other related projects
- Recommend policies, procedures and guidelines that govern the Mission Program Grant and Church Loan programs
- Interpret the purpose and availability of the Mission Program Grant and Church Loan programs to the whole church, instilling hope for future ministry to keep the church alive and growing
- Respond in partnership with the synods and presbyteries to new and emerging needs and ministries
- Related program staff and/or MDRC members will conduct consultations and training events with synods and presbyteries to provide information related to the preparation of written proposals, funding policies and procedures
- Annually review and recommend to the GAC new congregation projects nominated to receive the Sam & Helen R. Walton Award

CHURCH LOAN PROGRAM - COORDINATED LOAN PROGRAM

The Church Loan Program (CLP) is part of the Coordinated Loan Program with the Investment and Loan Program (I&LP), providing a coordinated lending service for all churches and presbyteries. A joint loan team composed of MDRC Church Loan Team members and I&LP Investment and Loan Policy Committee members conduct meetings by conference call and face-to-face, to review and make recommendations on joint loan applications.

The Church Loan Team of MDRC reviews and approves loans funded from endowment dollars that have been gifted for church development. The I&LP funds are investment dollars that individual Presbyterians, congregations, middle governing bodies, General Assembly and the Presbyterian Foundation invest for church development.

The MDRC reviews and approves policies and procedures for the CLP and the I&LP conducts reviews of their respective policies and procedures.

Policies and procedures for the CLP are available through the Investment and Loan Program.

General Assembly Council

The MDRC is accountable to GAC, existing “at the pleasure” of the council and conducts its work in consultation with the council in the following areas:

- Communications to the church regarding the work of MDRC
- Nominating process of persons to serve on MDRC
- Funding and budgetary matters
- Walton Awards
- Issues related to establishing policies, new funding categories and new priorities
- Reporting annually on the work of MDRC
- Other related matters, as required

(Report of consultation: May 1998, representatives of MDRC and the National Ministries Division of GAC)

COMMITTEE STRUCTURE

MEMBERSHIP

The committee is composed of 13 members, clergy and laity, with representation consistent with the Presbyterian Church's policy on inclusiveness. Ordinarily, the laity membership will be elders.

Six members will be designated as representing GAC; six members will be nominated by synods through a synod rotation process. One additional member will be appointed by GAC to serve as liaison between the council and MDRC. New committee members elected at each General Assembly will attend the fall meeting of the same year for orientation and observation of committee procedures.

Preferred skills and abilities (experience and expertise) required to the work of the committee include, but is not limited to:

- Governing body church development work
- Real estate knowledge
- Lending, including credit analysis, risk management, loan documentation, and related legal matters
- Ability and willingness to work with a committee to analyze funding requests, and review voluminous and detailed information in a short period of time
- Ability to maintain confidentiality

COMMITTEE TEAMS

The MDRC is organized into four teams to facilitate and carry out specific tasks and ongoing work of the committee. In consultation with committee members and related staff persons, the MDRC Chairperson annually appoints team Coordinators and members at the fall meeting and task groups as necessary. Decisions and activities conducted by a team or task group are reported to the MDRC by the first scheduled meeting following the action taken. Ordinarily, team meetings are held during the spring and fall meetings of the MDRC. Conference calls may be held in between those meetings, as required.

Coordinating Team: Supports and coordinates the work of the MDRC, and assumes decision-making responsibilities on behalf of the MDRC between meetings.

Membership Team: Cares for the members of the committee, giving full expression to the rich diversity within the committee, promoting inclusiveness in all activities and work of the committee; presents nominations for committee Chairperson and Vice-chairperson; and assists with the committee membership nominating process.

Annual Progress Report Team: Reviews Mission Program Grant Annual Progress Reports and prepares recommendations for action by the MDRC.

Church Loan Team: Considers and acts on loan applications. The base interest rate charged for General Assembly loans is set one point (1%) below the current base interest rate charged by the Presbyterian Church (U.S.A.) Investment & Loan Program, Inc. The base interest rate charged for General Assembly New Church

Development Loans is set two points (2%) below the current base interest rate charged by the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. A maximum range of interest rate fluctuation has been established whereby the General Assembly loan interest rate will not fall below 4% for established churches or 3.5% for new church developments, nor will it exceed 7%. The ranges may be adjusted in the future as the market conditions warrant. Recommends to MDRC new loan policies and amendments to current loan policies.

COMMITTEE OFFICERS

The MDRC elects a Chairperson and Vice-Chairperson annually during the fall meeting. Officers are elected for a term of one year and are eligible to be elected for one additional term. The Chairperson serves as the Coordinator of the Coordinating Team and as an ex-officio, voice without vote, member of the Membership Team, and Annual Progress Report Team. The MDRC Chairperson serves as an ex-officio, voice without vote, member of the Church Loan Team and shall, in the absence or disqualification of a Team member which results in the failure of quorum at a meeting, be an alternate, with voice and vote, member counted for quorum.

MEETING SCHEDULE

The MDRC meets twice a year - spring and fall. Ordinarily, the spring meeting is held within the bounds of a presbytery/synod receiving Mission Program Grant funding. The fall meeting is held in Louisville, Kentucky. During the spring meeting, new grant proposals and Walton Award nominations are reviewed. During the fall meeting, new grant proposals and Annual Progress Reports are reviewed.

TRAINING EVENTS

Related program staff and/or MDRC members will plan and implement region-wide training events for governing body staff and leaders in the following areas:

- Providing assistance in mission grant and church loan application preparations
- Developing models of planning and strategy based on other successful projects
- Discovering creative and experimental ventures in new projects
- Gaining an understanding of grant funding; assist in the development of new skills for grant recipient project leaders in the area of funds development
- Other areas of skills development training as requested

MISSION PROGRAM GRANT PROCEDURES AND GUIDELINES

PREAMBLE

Jesus Christ commands his disciples to go into the world, preaching the good news and living a life that exhibits love for God, neighbor and self (Matthew 28:19-20). Mission Program Grants are made available to congregations and presbyteries that are seeking to respond to this commandment by organizing new congregations, transforming existing congregations, or developing congregational-based ministries of compassion & justice. Support for these faithful responses by the Presbyterian Church (U.S.A.) is, itself, obedience to Jesus Christ. It is an expression of the mission of the church to go into the world, sharing the Good News with women and men.

MISSION PROGRAM GRANT DEFINITIONS

New Congregation: New church development is the establishment of a new ministry under the direction of the presbytery. A new congregation develops as a response by a presbytery to the needs of a new group of persons (emerging generation, new immigrant group, population growth). The ultimate goal is to grow a viable, sustained and significant ministry within the life of that presbytery, which may lead to a chartered congregation.

Existing Congregation: Transformation of an existing congregation is the redirection of its ministry in light of significant changes among its membership, the community to be served, or both. Transformation includes a planned effort and intent to refocus the congregation's ministry, under the direction of the presbytery. Transformation is about disrupting the current cycle of a congregation's life in order to intentionally bring about change.

Congregational-Based Ministries Of Compassion & Justice: A ministry of compassion and justice is a project in which a ministry is sponsored by a congregation or a group of congregations and is designed to meet the physical, social justice and spiritual needs of the community of people primarily outside the congregation. Camp & Conference Ministries and non-parish-based collegiate ministries are not eligible to apply for this grant.

SOURCES OF FUNDS

Funds for the MPG program are provided by interest on Church Loan Funds, Unrestricted, and Restricted Funds (primarily endowments). The disposition of funds is made in accordance with the donor's stipulations.

Allocations are intended to be for short-term, start-up, or supplemental support for projects which meet the eligibility criteria, have been well researched and planned, and which demonstrate by this research and planning that they have a reasonably good chance of meeting their goals and objectives. Projects that are not well conceived may be denied funding even in years when there may be unexpended funds.

MDRC has decided, that in times of financial need, it may be necessary to prioritize the approval of New Congregation Grants to be first, Existing Congregation (Transformation) Grants to be second, and Congregational-Based Ministries to be last. This is in keeping with the Mission goals of General Assembly Council.

APPLICATION PROCEDURES

Applications for Mission Program Grants (MPG) are to be prepared, approved and submitted by a presbytery and/or synod to the Office of Mission Program Grants. The MDRC members will review and make final funding decisions. Staff members are not authorized to prejudge the funding decisions of the MDRC.

Staff persons within the Office of Mission Program Grants support the efforts of the MDRC and are available to answer questions and provide guidance concerning the grant application criteria, the process to be followed when preparing a proposal, and other related application information.

Staff persons of the Evangelism & Church Growth and the Racial Ethnic & Women's Ministries areas are available for consultation to answer questions and provide guidance in the design of the project and to provide feedback concerning the content of the submitted proposal.

If a governing body cannot fulfill one or more of the requirements of the grant program, a request for waiver may be submitted with the application, specifying reasons for the request.

Applications are available in Microsoft Word format and may be obtained by downloading from the Mission Program Grants web page at www.pcusa.org/missionprogramgrants or by e-mail from the Mission Program Grants office.

PROJECT CRITERIA

The Ministry Plan Should:

- Represent new work in the areas of new church development, congregational transformation, and congregational-based ministries of compassion & justice
- Demonstrate its commitment to witness the Gospel of Jesus Christ
- Relate to the life and development of the surrounding community and respond, within the context of the Gospel of Jesus Christ, to human needs not otherwise being adequately met
- Involve ecumenical and denominational partners in planning and funding the project, as appropriate and feasible

The Program Operating Income and Expense Budget for the Project Should:

- Include balanced line item operating income and expense budgets for each year of the grant funding period. The budgets are to include income amounts from presbytery, synod, GA and other sources
- Include the previous year's financial statement, if available, displaying the budgeted and actual program operating income and expenditures

- Display contribution of at least 10% of its total program operating budget to PC(USA) Basic Mission Support by the end of the third year for 5 & 6-year grants and by the end of the fourth year for 7-year grants. PC(USA) Basic Mission Support is the total of all monies given to presbytery, synod and GA entities, including payments toward the mission budgets of these entities. Included in this total are special offerings, such as Christmas Joy Offering, Disaster Relief, Hunger, One Great Hour of Sharing, Peacemaking Offering, Pentecost Offering, Women's Thank Offering, per capita and others. (Note: Congregational-Based Ministries of Compassion & Justice Grant proposals are encouraged but not required to meet the 10% Basic Mission Support goal.)
- Describe how the project will continue to be financially supported following the termination of the grant

Note: Mission Program Grants are only for program purposes and may not be used for capital expenses, i.e., site acquisition or preparation, church building construction, purchase or renovation.

GRANT FUNDING GUIDELINES

- **Grant Funding Amounts:** A New or Existing Congregation project may normally receive a cumulative grant amount of no more than \$100,000 from any combination of General Assembly Mission Program Grants while congregational-based ministry projects may receive a maximum one-time grant of up to \$50,000.
- **Funding Schedule:** Funding for New or Existing Congregations may be spread over a period of from five to seven years. Congregational-Based Ministries funding may be for up to three years. The amount requested from GA should not exceed the combined funding amount provided by the presbytery and/or synod and may be less during the funding life of the grant. Grants are always allocated on a declining scale of approximately 15% to 20% per year.
- **Project Leadership:** The grant funds a project with a project leader or pastor, including a tentmaker, a stated supply, a designated pastor, a commissioned lay pastor, a co-pastor, or an interim pastor. The grant will not support an interim pastor appointed at the *onset* of a project. The grant will not support a presbytery, synod or GA staff person. The grant disbursements will be scheduled according to the starting date of the pastor or project staff.
- **Unexpended Grant:** The grant funds only the specific project for which it has been approved. Any portion of a grant not expended for the approved project must be returned to the Office of Mission Program Grants.
- **Funding Interruption:** Grant commitments are effective for one year. If a project is on hold, either initially or during the term of funding, for a period of one year, presbytery/synod leadership should provide the MDRC with a written request for an extension of six months. Ordinarily, MDRC will consider no more than three consecutive extensions. If presbytery/synod leadership determines that an extension of time is not appropriate, or MDRC doesn't approve the extension request, it may be necessary to resubmit a revised proposal at a later date.

- **Funding Conditions:** A project is not able to receive its funding until the conditions placed on the project are fulfilled. Conditions fall into one of two categories: administrative or programmatic.
 - Administrative Conditions:* Generally relate to budget issues, personnel/project leadership issues, etc. Responses to conditions in this category are reviewed by the Associate for Mission Program Grants, unless the MDRC requests further consideration.
 - Programmatic Conditions:* Generally relate to issues such as staff position descriptions, Christian education, evangelism, worship, leadership development, stewardship, etc. Responses to conditions in this category are reviewed by the staff person originally assigned to evaluate the proposal, unless the MDRC requests further consideration.
- **Funding Concerns:** Concerns are placed on a particular project to alert project, presbytery and synod leadership of perceived obstacles in the project's program or budget. Funding can begin on schedule without written responses to the concerns. Unanswered concerns will become conditions that must be answered before future year funding may begin.
- **Defaulted Loans:** Where a borrower or guarantor has received a loan and where that loan is 90 days or more delinquent in payment, a mutually acceptable repayment plan must be approved by the Church Loan Team of the MDRC before additional loans are approved and Mission Program Grants are disbursed.

ANNUAL PROGRESS REPORT

An annual progress report must be submitted by or before October 1st of each year. The Annual Progress Report Team, in consultation with the Associate for Mission Program Grants, reviews the annual progress reports.

ACTION APPEALS

If a governing body is dissatisfied with a decision made by the MDRC, an appeal may be submitted to the committee through the Office of Mission Program Grants in the form of a letter which sets forth clear reasons why the committee should reconsider its decision. Appeals must be received according to specified deadlines for receiving Mission Program Grant applications.

ADDITIONAL FUNDING REQUESTS

The MDRC does not ordinarily consider requests for funding in addition to the amount originally allocated to a given project.

EARLY TERMINATION

In light of the ever-increasing demand for GA Mission Program Grants funding, projects are encouraged to terminate their grant earlier than scheduled if possible.

The Sam & Helen R. Walton Award

In late December 1991, Sam & Helen R. Walton made a generous gift to the Presbyterian Church (U.S.A.), through the Presbyterian Foundation, of six million dollars. This gift included an endowment in the amount of three million dollars, the earned interest to be used by new church developments (NCD) that have placed a particular emphasis on site acquisition.

The MDRC offers an opportunity annually to sessions, presbyteries and synods to nominate projects that are working in creative ways to bring the gospel to their local communities. Each selected NCD will receive a one-time financial award, which is made over and above funding received from other General Assembly sources, i.e., Mission Program Grant and/or a Church Loan. The number of projects nominated and the amount of the financial award is based on funds available.

The intent of the selection process by the MDRC is in keeping with the June 1992 action of the Evangelism and Church Development Ministry Unit “to be as inclusive as possible in making grant selections with a goal that at least 20% of the projects be racial ethnic new church developments.”

For the granting of the Walton Awards, the MDRC takes into account the status of a NCD as defined by the presbytery. Ordinarily, Walton Awards will be given to congregations that have been organized not less than one year or more than ten years, as recognized by the presbytery.

The Walton Award may be used for the following purposes.

- Site acquisition / site preparation
- Construction costs
- Rental costs for the church
- Planning / design services for construction of first unit and/or other building projects
- Purchase of additional property
- Parking lot, build/enlarge/resurface, etc.
- Reinvesting moneys: the interest earned is to be reinvested into the corpus for later use in one of the other listed allowable uses

The Walton Award may also be used for a program that helps to help define the NCD and expand its mission and ministry. Program areas could include:

- Evangelism and nurture programs
- Training events for church leaders in church growth
- Advertising / promotion of the congregation’s mission, message and program
- Assistance with the salary for the pastor, additional staff and programming

Such uses of the funds are for short-term periods where the church is holding the funds for later use on one of the allowable uses. This is to be done in consultation with the presbytery. The award funds are to be used within five years of being received.

Specific criteria on which nominations are based and nomination/selection procedures are outlined on the Walton Award Nomination form.

Names of nominees are forwarded to the GAC for approval and then recipients are announced to the wider church.

Policies

The following policies have been adopted by the MDRC to assist and guide the committee in its work. The policies are reviewed periodically, updated or eliminated, as necessary.

FUNDING SEVERANCE AGREEMENTS

The MDRC will participate in severance agreements for pastors/staff of new congregations and existing congregations for a period of three months, the amount not to exceed the normal three-month grant amount. The continuation of the grant for severance purposes is contingent upon the presbytery and/or synod also continuing their share of the grant.

Approved: May 1999 – Mission Development Resources Committee
September 1999 – National Ministries Division / General Assembly Council

Effective Date: October 1, 1999

CONCERNS PLACED ON A PROJECT

Any concerns placed on a mission project not addressed by the respective governing body within the approved and announced timeline, the **concern** becomes a **condition** and funding is withheld until it is addressed.

Approved: November 1999 – Mission Development Resources Committee

Effective Date: November 1999

RETROACTIVE GRANT PAYMENTS

Grant payments may be disbursed retroactive to January 1 of current year funding provided that existing conditions are met.

Approved: May 2000 – Mission Development Resources Committee

Effective Date: May 2000

FUNDING RESTRICTIONS ON SPECIALIZED MINISTRY GRANTS

MDRC does not fund Camp & Conference Ministries and non-parish-based collegiate ministries.

Approved: November 2004 – Mission Development Resources Committee

Effective Date: June 2005

GRANT FUNDING AMOUNTS

A project may normally receive a cumulative grant amount of no more than \$100,000 from any combination of General Assembly Mission Program Grants.

Approved: May 2005 – Mission Development Resources Committee

Effective Date: June 2005

FUNDING INTERRUPTION

Ordinarily MDRC will consider no more than three consecutive extensions.

Approved: May 2005 – Mission Development Resources Committee

Effective Date: June 2005

ONE-TIME RECEIPT OF THE SAM & HELEN R. WALTON AWARD

No Walton Award nominee shall benefit more than once from receiving the award.

Approved: May 2006 – Mission Development Resources Committee

Effective Date: June 2006

SUSPENSION OF THE EXPLORATION & FEASIBILITY GRANT PROGRAM

Given the increasing demand for New Congregation, Existing Congregation and Specialized Ministry funding, coupled with the proposed \$250,000 unrestricted reduction to the Mission Program Grants budget, MDRC recommends suspending the Exploration and Feasibility Grant during budget years 2007-2008.

Approved: May 2006 – Mission Development Resources Committee

Effective Date: January 1, 2007

RENAMING OF THE SPECIALIZED MINISTRY GRANT APPLICATION

MDRC recommends that the Specialized Ministry Grant be renamed “Congregational-Based Ministries of Compassion & Justice Grant” and to modify the program definition in order to be clear that this grant is intended to be used at the congregational, rather than presbytery, level.

The new definition reads, “A ministry of compassion and justice is a project in which a ministry is sponsored by a congregation or a group of congregations and is designed to meet the physical, social justice and spiritual needs of the community of people primarily outside the congregation. Camp & Conference Ministries and non-parish-based collegiate ministries are not eligible to apply for this grant.”

Approved: May 2006 – Mission Development Resources Committee

Effective Date: June 2006

CHANGE OF DURATION & FUNDING LIMIT FOR CONGREGATIONAL-BASED MINISTRIES

MDRC recommends that the duration of the grant and amount of funding be capped at “up to 3 years and up to \$50,000.”

Approved: May 2006 – Mission Development Resources Committee

Effective Date: June 2006

PRIORITIZATION BY GRANT TYPE FOR APPROVAL OF NEW GRANT PROPOSALS

MDRC decided, that in times of financial need, it may be necessary to prioritize the approval of New Congregation Grants to be first, Existing Congregation (Transformation) Grants to be second, and Congregational-Based Ministries to be last. This is in keeping with the Mission goals of General Assembly Council.

Approved: May 2007 – Mission Development Resources Committee

Effective Date: June 2007

CHANGE IN TIME LIMIT FOR ACHIEVING 10% PC(USA) BASIC MISSION SUPPORT

All projects are expected to achieve & maintain 10% of its total program operating budget to PC(USA) Basic Mission Support. This level of support must be reached by the end of the third year for 5 & 6-year grants and by the end of the fourth year for 7-year grants.

Approved: May 2008 – Mission Development Resources Committee

Effective Date: June 2008