

Blackhawk Presbytery
Policy for the Distribution of Proceeds from Dissolved Congregations
And Establishment of the “Resurrection Fund”

I. Introduction

Blackhawk Presbytery and its member congregations are facing increased challenges of membership decline, financial stagnation, and cultural and communal engagement in church life. These pressures have resulted in churches closing and that trend is likely to continue. The Presbytery supports congregations through redevelopment efforts but, for some, the challenges are insurmountable. When a congregation reaches the end of its life cycle, a death occurs, and the presbytery becomes the responsible steward of its remaining assets. We can show deep appreciation for decades of faithful ministries of these church members and their ministries by providing a way to use remaining assets to support the mission of the church universal. Blackhawk Presbytery would benefit by having a policy and process to redirect resources from dissolved congregations as a legacy to support existing church redevelopment, new church development, and other ministry revitalizing initiatives. By God’s grace and the presbytery’s strategic use of these resources, revived and 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 for the receipt, management, and use of the funds that come from closing congregations and ministries of the Presbytery of Blackhawk.

III. Clarity of the Fund and Additions to the Fund

Blackhawk Presbytery has a fund called Church Development and Designated Funds (account 1010014 on our balance sheet). This money is held in a separate Money Market fund and has a January 2021 balance of approximately \$115,000. We are recommending this account be renamed the Resurrection Fund. Money that goes into this fund will come 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 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.

- b) Once a congregation has voted to close, its property should be transferred, via deed, to the Presbytery of Blackhawk. The Presbytery Council and Corporate Trustees will manage the property and determine the disposition of the assets with appropriate approval of the Presbytery Assembly. The Presbytery Assembly ultimately bears sole responsibility for determining the mission priorities of the presbytery.
 - c) A congregation that has voted to close may recommend that up to 20% of the net proceeds of its property be allocated to local mission they have previously supported. This recommendation is subject to the approval of Council and Assembly.
 - d) Upon sale of a property, 70% of net proceeds will be added to the Resurrection Fund.
 - e) Upon sale of a property, 10% of the net proceeds may be applied to the operating budget of the presbytery. This connectional tithe supports the ongoing work of the presbytery and compensates for the effort of staff and others to coordinate work with the closing congregation.
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 10% of the proceeds of any sold property to this fund.

V. Management of Fund

The administration of the Resurrection fund shall be as follows:

- 1. The fund shall be managed as a presbytery designated, temporary restricted fund. Designated funds are established 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 Treasurer, Transformational General Presbyter, and the Finance and Property Committee of the Presbytery Council.
- 4. Oversight of additions to the fund and distributions from the fund will be managed by the Presbytery Council and Trustees which may delegate this responsibility to other group(s).
- 5. All interest and dividends will be added to the principal as earned.
- 6. A report of all activity on the fund will be provided to the Presbytery Assembly at least annually.

VI. Procedures for Expenditures from the Fund

- 1. No more than 25% of the fund principal may be distributed each calendar year
- 2. No single request may be for more than 10% of the current fund principal
- 3. 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) Presbytery Council.

4. 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 Council 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 Council accepts a proposal, it will authorize the disbursement.
 - c) Recipients shall report regularly to Presbytery Council on progress of the funded proposal.
 - d) Fund disbursements will be made on a first-come, first-served basis.
 - e) No congregation, ministry, or mission program may receive funds more than once every 3 years. New church developments may apply for up to 3 consecutive years.
 - f) Monies provided by the fund are to be used for ministry and program development.
 - g) Other than new church development and/or new ministries, funds are not to be used for existing staff salaries or building expenses.

VII. 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.

Approved by Presbytery Council February 23, 2021