

The Presbyterian Church Property Trustees

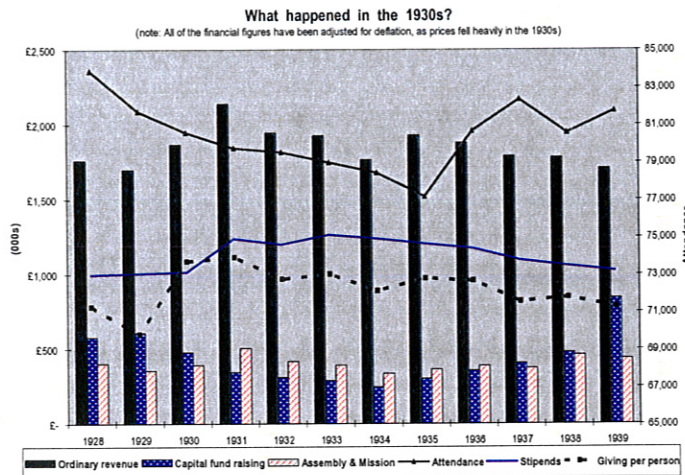


The 1930s again . . .

As the economic gloom deepens, many are drawing parallels with the 1930s. The Trustees did some research into what the 1930s were like for churches, as a guide to what might happen in today's parishes if the worst did come to the worst.

The 1930s came after a decade of growing church attendances and finances. The immediate impact of the poor economic conditions was a drop in worship attendance, which continued every year to 1936. Whatever the reason, the 1930s experience does not predict an enormous upswing in attendance, and it may caution against putting pressure on members.

A fall in total revenue led to reduced spending on capital and in contributions to the 'Assembly & Mission' (a forerunner of Assembly Assessment) budget. Money for parish activities changed very little. And while stipends



were reduced, the falling prices of the period meant that purchasing power rose very slightly when most people faced significantly reduced incomes. This was largely because parishioners maintained their giving per person at a fairly constant level, even though the average fall in income meant this would have been at considerable personal cost.

What does this mean for today? Even if things do get very bad (and we

don't know how deep the downturn will be) it is unlikely that our people will significantly reduce their giving. Capital projects and other things may need to be cut, but parish life is likely to be protected. However, it also suggests that leaders may need to be very conscious of the pressures on their members, and to work to ensure that they are supported if they move for work, and feel welcome regardless of their financial circumstances.

Property application changes

As from 1st April 2009, the Trustees have introduced changes to their property approvals process.

- Property valuations submitted with applications must be no older than 90 days.
- Approvals of property applications will be valid for six months only. If a parish is not able to conclude a property settlement within that time frame, the approval will lapse.
- Administration fees for property transactions will apply.

Sale or purchase of property value over \$250,000	- \$250
Sale or purchase of property value \$50,000—\$250,000	- \$150
Sale or purchase of property value under \$50,000	- \$100
All other routine transactions	- \$100

Where transactions involve extra legal costs, these costs will also be charged to the parish. In special circumstances, fees may be reduced or waived.

P.I.F. interest rates

The interest rate currently paid on parish deposits by the Presbyterian Investment Fund is **4.75%**.

The Trustees review this rate each month, and changes can be viewed under Church Property Trustees at www.presbyterian.org.nz Interest is credited to accounts quarterly.

Capital funds use

In response to a request from the 2008 General Assembly, the Trustees are finalizing new guidelines for the use of capital funds. This will allow such funds to be used for growth, as well as building projects.

Considerable extra information will now have to be provided by both parish and presbytery, particularly from small congregations.

Proposals for buying a new property will have to gain approval in principle from presbytery and the Trustees before a search for property begins.

Strong investments

The Presbyterian Investment Fund continues to provide sound returns, based on a policy of low-risk investments.

As a pooled fund of parish deposits, it has a diversified range of investment grade fixed interest securities. It does not hold shares or property investments, nor has it invested in finance companies.