

The Presbyterian Church

Property Trustees



Issue 3

April 2010

Gifting or lending congregational funds

The 2008 General Assembly wished to make it easier for the Church's financial resources to be shared more widely.

The Council of Assembly recently approved guidelines developed by the Church Property Trustees to enable this sharing. Congregations and presbyteries with surplus funds (both property and general), are now able to gift or lend money to another congregation or to a presbytery.

Through Press Go, the Church can collectively evaluate and fund promising growth projects, and parishes are urged to make their gifts or loans available through this initiative.

The Church Property Trustees and the Council of Assembly expect that proposals, particularly those for over \$20,000, will first be discussed in principle with the Press Go Board.

If the funds to be gifted are not from the sale of a church property, no external approvals are needed, but that of the congregation is essential. The donor church council should de-

velop a formal proposal to put to the congregation.

If a congregation has surplus funds from the sale of a property, the approval of presbytery and the Church Property Trustees* is required before the funds can be transferred to another congregation or presbytery.

If such funds are to be in the form of a loan, rather than gifted, the borrowing congregation must also seek approval to borrow funds. A formal agreement, with clear terms and conditions, should be drawn up, with legal advice.

When application is made to the Church Property Trustees, both the donor and the recipient congregations are required to provide information about their financial status, and their future plans.

Presbyteries must evaluate the information, and assess how realistic the congregation is being with this proposal. Presbyteries must also indicate how the proposal fits in with the presbytery's regional strategic development plans.

The Gifting Guidelines are available from the Trustees' Office.

* The Synod of Otago & Southland has a separate approvals process.

Through the glass darkly What will PIF interest rates be this year?

Some parish treasurers have enquired about what Presbyterian Investment Fund rate they should use for budgeting over the next 6 to 12 months.

The answer depends on the world economy and the Reserve Bank but, as that is not very helpful, we are providing some thoughts – strictly on a *no guarantees* basis. Financial markets are unpredictable - as we all know from the last few years.

In recent months, the Trustees have increased the PIF interest rate to 5% and as we have strong reserves, we expect to maintain that rate for the foreseeable future. But we are unlikely to raise it much further until the PIF itself gets higher interest rates on its own investments. Most analysts are predicting a small rise in interest rates sometime this year - but as the Reserve Bank has recently backtracked on a foreshadowed rise in June, this is not guaranteed.

If it does come, we think it will be small and much later in the year, and we really think that it is a potential windfall that might happen, rather than something to bank on.

P.I.F. interest rates

The interest rate currently paid by the Presbyterian Investment Fund on parish deposits is

5.0%.

The Trustees review this rate each month, and changes can be seen in the Church Property Trustees section of www.presbyterian.org.nz

Interest is credited to accounts quarterly.

Funds are available on call, though advance notice is required for withdrawals over \$250,000.

Online access to PIF funds

Church organizations with Presbyterian Investment Fund accounts can readily check their balances online, without having to contact the Church Property Trustees.

Withdrawals and deposits of general funds can also be made directly by parish treasurers or administrators, through the PIF link on the Presbyterian website. This internet link has bank level security.

The Trustees Office will set up electronic access on request, and have an instruction sheet on what to do. The Trustees' staff also back this up with phone or email advice where needed.

Online access is not available for transfers between accounts, or for withdrawal of funds from property accounts.

Who to contact

Presbyterian Investment Fund, property matters and general Trustees' enquiries: Heather McKenzie, 04 381 8290 or email heather@presbyterian.org.nz

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