

## **POLICY REGARDING USE OF FUNDS RECEIVED FROM THE SALE OF PROPERTIES AND OTHER MONIES PLACED IN THE RESERVE FUND**

From time to time, the Presbytery of Florida may come into possession of unbudgeted and undesignated money. Sources of such money include but are not limited to the net proceeds from the sale of property held in trust by member congregations of the presbytery, unspent budgeted income, and undesignated gifts, and are immediately put into the presbytery's Reserve Fund.

This policy is set to determine how such funds are to be managed by the presbytery through its Ministry of Presbytery Operations.

### A Biblical and Theological Rationale

There are two rudimentary Biblical principles that guide our use of money. Both come from Jesus although they are implicit throughout Scripture. The first is that earthly wealth as we know it, is essentially illusory and passing if not used for God's plan and purpose. "Do not store up for yourselves treasures on earth" Jesus tells us, "where moth and rust destroy, and where thieves break in and steal." (Matthew 6:19) We are never to accumulate wealth for wealth's sake.

The second is that believers are encouraged to take whatever worldly wealth they do have and understand it as something with which they are entrusted. While wealth is essentially transitory, it is also something given to us from God to invest wisely, multiply and, ultimately, glorify the same One who is the Giver of all good things. (James 1:17) Jesus' teachings in the parable of the talents (Matthew 25:14-30) and the parable of the shrewd manager (Luke 16:1-3) empower us to do this.

As stated in the Confession of 1967, we know that "God instructs his church and equips it for mission. When carried on in fidelity to the Scriptures and dependence upon the Holy Spirit, people hear the word of God and accept and follow Christ."

### Fund Investment

On behalf of the Presbytery of Florida, the Ministry of Presbytery Operations shall establish an invested corpus, the earnings of which shall be reinvested. The principle shall be made available as grants to presbytery programs which propose to support congregational and/or presbytery development, redevelopment, and/or transformation. Additionally, the equivalent of up to one half of any year's budget shall be held in reserve for emergency budgetary use and/or to zero-balance the current year's budget before closing the books for that year.

### Definition of Net Proceeds From Property Sales

Net proceeds are any monies remaining from the sale of any real estate and other property held in trust for the PCUSA which has been closed after (a) all financial obligations of the congregation have been paid; (b) the presbytery has been reimbursed for any funds disbursed on behalf of the congregation during or after the dissolution process; and (c) at the discretion of the presbytery administrative commission involved, a tithe (10%) of net unrestricted assets may be distributed to Presbyterian causes and institutions that have been meaningful to the life of the congregation and/or local ecumenical and benevolent causes that have been meaningful to the life of the congregation. Any net proceeds shall be placed in the Reserve Fund.

In the event that property is leased with an option to purchase, net proceeds will become available when the purchase is consummated. Income from such leases will be used to offset expenses related to maintaining the property. Any remaining income from such leases shall be added to the Reserve Fund.

### Definition of Unspent Budgeted Income

The books for any year's presbytery budget shall be closed no later than January 31<sup>st</sup> of the following year. Any income remaining from the presbytery budget after all expenses have been paid for that calendar year shall be placed in the Reserve Fund.

### Definition of Undesignated Gifts

An undesignated gift can come in several forms: money, real estate, and other property. It can come from someone living or from a Will after someone's death. Any undesignated money shall be placed in the reserve Fund. Any real estate or other property shall be sold as soon as possible and monies from those sales shall be placed in the Reserve Fund.

### Definition of Other Unbudgeted Income

Other kinds of income not related to the annual budget or other existing presbytery funds, shall be placed in the Reserve Fund.

### Division of Income from the Reserve Fund

After the equivalent of one half of the current year's budget is set aside, which can be used to zero-balance the current year's budget before closing the books for that year, 10% of the remainder shall be set aside for special, unbudgeted presbytery projects defined by that policy, 50% shall be assigned to the Committee on Congregational Revitalization to be used as defined by their policy for such funds, and 40% shall be assigned to the Committee on New Congregational Development to be used as defined by their policy. Any growth in the Reserve Fund shall be distributed pro rata.