

Policy on Rectory Funds

In accordance with our enabling legislation, as well as canon and trust law, all parish or diocesan rectory funds shall be subject to this policy and held by the Anglican Church Ministry Foundation, Niagara.

1. Definitions

- a. A Rectory Fund is the sum of the Endowed Capital portion and the Restricted portion, less any current loan balance, if applicable.
- b. The Endowed Capital portion of the Rectory Fund shall be the net proceeds received from the sale, determined at the time a rectory is sold.
- c. The Restricted portion of the Rectory Fund is any gains or losses on the Endowed Capital portion of the Rectory fund, less any draws taken plus any monies repaid to the Fund.

2. Access to Funds

Parish corporations may request to draw monies from the growth in the value of the Restricted portion of the fund as a monthly or periodic withdrawal, in accordance with the established procedures for the purposes of clergy housing.

3. Loans

Parish corporations may request to borrow from their Rectory Fund for the purposes of providing their incumbent with a mortgage or making capital improvements to the church buildings, provided that:

- i) the Restricted portion of the Rectory Fund is not in a negative position, and
- ii) there are no Rectory Fund loans outstanding.

Loaned monies shall be recorded as a draw against the Rectory Fund Endowed Capital portion.

A repayment plan must be mutually agreed upon in writing by the diocesan treasurer and parish corporation. An interest component equivalent to the CIBC Prime rate on the date the loan is taken shall be included in the plan.

4. Overdrawn Funds

Parish corporations whose Rectory Fund balance is below the protected Endowed Capital portion shall work with the Bishop and/or Director of Stewardship and Development to create a mutually agreed upon financial plan to return the balance to a positive position.

Any such plan may include stopping or reducing draws until such time as the fund recovers its balances. If no plan is agreed upon within six months of the parish corporation being advised that their Rectory Fund is overdrawn, the diocesan Treasurer may disallow future, or discontinue existing, draws.

Procedures for this policy are described on the next page

PROCEDURES

A. Draws on Rectory Fund Income

- i. Parishes requesting a draw from the Restricted portion of their Rectory Fund must do so in writing to the diocesan Treasurer or their designate and be signed by two churchwardens and the incumbent of the parish.
- ii. Once the request is received, the diocesan Treasurer shall review the parish's current Rectory Fund value.
 - a. If the Rectory Fund's Restricted portion is in a negative position at the time of the request, the request will be denied.
 - b. If the Rectory Fund's Restricted portion is in a positive position, and there is no rectory loan outstanding, the request will be approved
 - c. If the Rectory Fund's Restricted portion is in a positive position, and there is a rectory loan outstanding, the request may be approved, provided the parish has a satisfactory loan repayment plan.
- iii. Approved fund draw values will be the lesser of:
 - a. The requested amount
 - b. The housing allowance or
 - c. The restricted balance available.
- iv. The diocesan Treasurer, or their designate, shall communicate the decision to the parish corporation and cause the requested funds to be disbursed.

B. Rectory Fund Loans

- i. Parishes requesting a loan against their Rectory Fund must do so in writing to the diocesan Treasurer using the form prescribed, provided the conditions set forth in section 3 of the Rectory Fund policy are met.
- ii. Once the request is received and reviewed, the Financial Advisory Committee (FAC) will be advised and shall make a recommendation to Synod Council about its approval.
- iii. The recommendations of the FAC will be forwarded to the Secretary of Synod for consideration at the next Synod Council meeting.
- iv. The Secretary of Synod will convey the decision of Synod Council to the diocesan Treasurer.
 - a. If the loan is approved, the diocesan Treasurer shall inform the parish corporation and cause the funds to be issued to the parish.
 - b. If the request is not approved, the diocesan Treasurer shall inform the parish corporation, indicating the reasons for the decision, and make a referral for a stewardship consultation with the parish.