

## Mission Development Fund

The 36<sup>th</sup> Synod (May 2022) approved the Mission Development Fund (MDF) policy to replace the 2008 guidelines.

The motion was:

That the Synod adopts the policy found at Appendix C of General Proposal 3 for the Operation of the Mission Development Fund. This has been converted to the Synod Policy template and is now Policy G1.6.

The 34<sup>th</sup> Synod approved the following principles for development of the policy:

At the 34<sup>th</sup> Synod it was **RESOLVED** by Consensus that the Synod:

- (a) requests an updated policy be prepared, after detailed consultation with congregations, presbyteries, and faith communities, covering the operation of the Mission Development Fund (MDF) and the policy be developed in accordance with these principles:
  1. The MDF will be a fund that will support the contemporary mission strategy and priorities across all Presbyteries in the Queensland Synod. As such we acknowledge:
    - (a) According to our Constitution, we are all stewards of the property and funds held by a congregation or presbytery;
    - (b) The property and funds of the church are for the benefit of the mission of the whole church;
    - (c) Beneficial use of funds in the MDF may be required to be forgone by an individual congregation or presbytery to achieve the objective of this principle.
  2. The MDF will be a sustainable resource for long term church growth and development:
    - (a) It will be used for capital and/or development opportunities that produce a return benefit to the church;
    - (b) It will not be used for operational (including general maintenance) expenses or sensitive matters' expenses. (note "sensitive matters" was a term used for payment of claim for institutional sexual abuse).
  3. It is a requirement of MDF funding allocation that projects need to meet good governance practices including prudent and sustainable decision making, and accountable and transparent processes and reporting.
    - (b) notes that when developed, the policy on the operation of the MDF will be circulated to presbyteries and congregations for consultation and then submitted to the 35<sup>th</sup> Synod for approval.

Due to time constraints, General Proposal 7 "Mission Development and Innovation Fund Policy 2020 (MDIF)" was not considered by the 35<sup>th</sup> Synod. Instead, a working group was formed and has overseen the consultation process since that time.

The purpose of this document is to compare the 2022 Policy to the 2008 Guidelines and note similarities and differences. The document will also note the proposed interpretation that the Finance Investment and Property Board (FIP Board) intends to adopt (if applicable). The table is not supposed to cover every clause – just the ones where comment could assist the reader.

2022 Policy	2008 Guidelines	Same / Different	Synod Property Officer / FIP Board interpretation
<p><b>Purpose</b> MDF is a sustainable resource for long term church growth and development – used for capital development opportunities which provide growth in congregations, Presbyteries and the Synod in order to promote the mission of the church. Reg 4.8.1(c)(i)</p>	<p>Purpose – Clause 2 MDF to provide for Church development and growth in congregations, presbyteries and the Synod.</p>	<p>Very similar</p> <p>Reinforces the capital development component of the Fund – money in is sourced from sale of capital assets therefore use of money is for capital development</p> <p>The policy notes that the Fund is to be a sustainable resource</p>	<p>No specific interpretation needed at this time</p>
<p><b>Application – Clause 2</b> Applies to major sales of property where responsible body is a congregation, presbytery or the Synod</p>	<p>Application – Clause 3 Applies to major sales of property</p>	<p>Very similar</p>	<p><b>Consultation - Clause 1.1</b> In the application of this policy the Synod Property Board (FIP Board) is obliged to consult with all the relevant entities when assessing the proposed sale of property. During this consultation process, regard shall be given to the missional priorities of the responsible body and any other relevant entity.</p> <p>This is a new and overt requirement. The FIP Board will ensure that a consultation component is added to the standard template so this can be conducted in the ‘property proposal completion’ phase rather than consultation being conducted once the project proposal has been completed and forwarded for approval.</p>

2022 Policy	2008 Guidelines	Same / Different	Synod Property Officer / FIP Board interpretation
<p><b>Application – proceeds of sale – Clause 2.3</b> In accordance with Reg 4.8, the sum of the net proceeds from a property sale where the Responsible Body is a congregation Presbytery or the Synod, shall be deposited into the MDF</p>	<p>Application of Proceeds of Sale – Clause 4.3 As a general rule. 15% of the net proceeds from the sale of all properties shall be apportioned:</p> <ul style="list-style-type: none"> <li>- In the case of Departmental properties, to the SRF</li> <li>- In case of congregation properties, to the FDF</li> </ul> <p>Clause 4.3.3.2 the balance of any net proceeds from sale of departmental property shall be applied to the Synod Reserve Fund</p>	<p>The Future Development Fund (FDF) is not applicable to the 2022 policy (it has, in essence, been disbanded, as any funds that were deposited were transferred to the SRF per an earlier FIP Board resolution)</p> <p>Proceeds from sale of property where the Synod office is the Responsible Body will now go to the MDF rather than to the Synod Reserve Fund (SRF)</p>	<p>The FIP Board has been open to refunds of 15% FDF money deducted upon application in a property proposal for use of MDF funds within a short time period of the sale of the original property. As the FDF has been disbanded, no further refunds will be considered.</p>
<p><b>Application – proceeds of sale – Clause 2.4</b> The sum of the net proceeds from a property sale shall be held in the MDF on behalf of the responsible body for a period of 7 years.</p> <p><b>Use of funds held for a period over 7 years – Clause 7</b> Where the responsible body is a congregation and has funds in the MDF for a period of 7 years and no approved missional plan has been presented to the Presbytery within those 7 years, the Presbytery shall become the responsible body for the funds held by that congregation. For other entities, if no approved missional plan has been presented to the Synod within 7 years, the</p>	<p>Proceeds of Sale – Clause 4.4 The balance of the proceeds of all properties sold shall be held in the MDF on behalf of the congregation or other body deemed to have an equitable interest therein until there is a valid need up to 10 years.</p>	<p>The policy is very clear that a responsible body must develop a missional plan and have it approved within 7 years or the funds transfer to another responsible body.</p> <p>The guidelines were not clear as to where the funds would be transferred to following 10 years in the MDF and therefore this clause was never enacted.</p>	<p>A letter will be sent to each responsible body (and the relevant Presbytery (if applicable)) that has funds in the MDF. This letter will detail:</p> <ul style="list-style-type: none"> <li>- A new policy has been approved – link to location to be provided</li> <li>- An electronic link to this summary</li> <li>- Confirmation of their balance as at 31 May 2022 and confirmation as to whether any of the funds have been approved for future spending</li> <li>- Reminder of the transition period requirements (if applicable)</li> </ul>

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<p>Synod shall become the responsible body for the funds held by that entity.</p> <p><b>Transitional Provisions – Clause 9</b> Exiting funds and projects that are already in place and are aligned with the missional planning priorities of the relevant entities shall remain in the MDF without alteration.</p> <p>Upon adoption of the policy, the Synod Property Board will advise the Presbytery or relevant entity of any funds that has been or will have been held in the MDF for a period of 7 years in the next 18 months. The Presbytery or relevant entity shall consult with the responsible body to determine if a missional plan exists. If, at the conclusion of a period of 18 months after the adoption of this policy, no missional plan exists for these funds, then the Synod Property Board shall transfer the relevant funds, within the MDF, to the Presbytery or relevant entity for their use as the responsible body.</p>			<ul style="list-style-type: none"> <li>- Confirmation as to the proposal template to complete if they wish to access MDF</li> </ul> <p>There is an obligation over the next 18 months for a responsible body to agree with another council (congregation with presbytery and presbytery with synod) the missional plan(s) for the funds that have been in the Fund for over 7 years.</p> <p>The process for implementing this will be working through with Presbyteries over the coming months</p>
<p><b>Selling a Property – Clause 3</b> The body responsible for management and administration of the property to be sold shall make an application to the Synod Property Board, with the approval of all</p>	<p>Proposals involving Sale of Property Clause 4.1.2 – That it is consultation with such Congregation or other body in the Presbytery. During this consultation process, regard shall be given to the missional goals of the</p>	<p>Very similar intent</p>	<p>Flowcharts and templates covering the sale process to be sent with the letter/linked to remind responsible bodies of the process</p>

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<p>relevant entities for the sale of property (Reg 4.6.3)</p> <p>The Synod Property Board (FIP Board) shall assess and determine all proposals involving the sale of property and shall give due advice in writing to the responsible body and any other relevant entity</p>	<p>Congregation concerned as determined by a mission audit conducted by the Presbytery and/or the Synod.</p>		<p>The Synod Property officer (and staff) will review completed Property Proposals for sales before submitting them to the FIP Board for consideration.</p> <p>Refer the requirement noted above for overt consultation with other responsible bodies.</p>
<p><b>Use of funds</b>  <b>Application for capital or investment use only – Clause 1.3</b>  <b>1.3.1 Application may be made for capital development or capital and financial investment.</b>  This does not include applications for the maintenance of property</p> <p><b>1.4 Application for strategic innovation or strategic mission.</b>  A responsible body applying for funds towards strategic mission or innovation shall ensure their application complies with the strategic mission and priorities of any relevant entity. Strategic innovation or mission can include church planting project costs, including property and people, and major missional outreach programs.</p>	<p>Clause 4.5.2 The Synod Property Board considers as undesirable the practice of depending on property sales to cover the cost of maintenance, painting etc. These costs should be provided for by proper management and financial planning. The Church cannot have the capital to grow and expand if the resources are being used for maintenance purposes.</p> <p>Clause 4.6.3 Proceeds from sale (capital and interest) for any special church growth or outreach program approved by the relevant Presbytery.</p>	<p>The use of funds has been broadened to include financial investment and strategic innovation and strategic mission (this requires more than the description in the Guidelines as special church growth or outreach program)</p> <p>The use for capital development remains the same.</p> <p>The prohibition on using the funds for maintenance remains. The items to be viewed as maintenance are detailed in the policy</p> <p><b>Clause 1.3.1 Maintenance expenses</b> include such things as carpets, painting, signage, replacement of items such as dishwashers, data projectors etc</p>	<p>Flowcharts and templates covering the MDF usage process to be sent with the letter/linked to remind responsible bodies of the process</p> <p>The Synod Property officer (and staff) will review Property Proposals for MDF usage before submitting them to the FIP Board for consideration.</p> <p>The new category ‘financial investment’ relates to using funds in acquiring an asset or business that produces a financial return so the profits can be used for missional purposes.</p> <p>The new category ‘strategic innovation and strategic mission’ may result in funds being used for people costs rather than acquiring assets or businesses. If this is the case, it is highly recommended that</p>

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<p><b>1.5 Funds cannot be used for any other purpose.</b> Funds held in the MDF account can only be used in accordance with this policy. They shall not be used for operational purposes or for the payment of any legal claims made against the church.</p>			<p>early discussions are held with the Synod so that any property proposal demonstrates appropriate measures, governance, project checkpoints and reporting (see next point).</p>
<p><b>Reporting obligations on use of funds – Clause 5</b> Where fund have been used under this policy, the responsible body shall provide annual reporting as to the use and outcomes of the use of the funds to the Synod Property Board, as directed by that Board</p>	<p>No requirement</p>	<p>New requirements</p>	<p>This reporting will be especially required in relation to proposals that are spent on ‘people costs’ to achieve strategic mission or innovation objectives.</p>
<p><b>Use of interest on funds – Clause 6</b> Responsible bodies should avoid having to use interest accruing on proceeds of sale for normal operating expenses. Nevertheless, this policy will allow a responsible body to use such interest for normal expenses to remain viable and continue their witness and service in the community. This arrangement will be reviewed annually by the Synod Property Board in consultation with the relevant entity.</p>	<p>Clause 4.6.2 Interest accruing on proceeds of sale to be used in whole or in part, for normal operating expenses.</p>	<p>No change that responsible bodies can use interest for normal operating expenses.  The annual review by the Synod Property Board (FIP Board) is new</p>	<p>Once the MDF funds exceed 7 years within the overall Fund, other policy clause apply.  The FIP Board does not consider that an appropriate missional plan for use of funds is for a responsible body to invest the funds in a financial instrument (currently term deposits) so they can benefit from the interest returns to be used for operational purposes.</p>
<p><b>Ability of responsible body to surrender its funds – Clause 8</b></p>	<p>Clause 4.6.4 Proceeds of sale (capital and interest) for purposes of making a</p>	<p>MDF funds can be gifted to other responsible bodies inside the Property Trust Q – no change</p>	<p>The term ‘responsible body’ in this context is being taken as another</p>

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Any responsible body may transfer the funds held in the MDF on its behalf, to any other responsible body at any time.	gift or loan to congregations, presbyteries and other church institutions, in addition to the provisions contained in the Regulations.	MDF funds cannot be loaned. This is a change. UCIS is the body responsible for providing loans.  MDF funds can't be gifted outside of the Property Trust Q	responsible body inside of the Property Trust Q. This helps ensure that the sustainability objective is somewhat maintained – prevents 'leakage' re gifts to organisations outside of the Property Trust Q.
<b>Synod Property Officer – Definitions</b> The Synod Property Officer shall do all things necessary to give effect to this policy including the disbursement of funds and interest on funds and the investment of funds.	Clause 5.1 The Director, Department for Financial and Property Services shall be responsible to the Finance Investment and Property Board for the management of the Fund.  Clause 5.2 All moneys credited to the Mission Development Fund and not immediately required shall be invested with the Uniting Church Investment Service	Similar	The default investment strategy is to invest the funds with the Uniting Church Investment Service.  However, the Synod Property Officer will conduct an analysis of projected usage and put forward a proposal to the Finance Investment and Property Board to invest a portion of the funds in the MDF into higher return / higher risk investment products. If approved by the FIP Board, this option will become available in FY 23.

### Extracted from Definitions Section of the Policy

The Synod Property Officer shall do all things necessary to give effect to this policy.

The role of the Synod Property Board is to supervise the implementation of the Synod's policies in relation to property.

Therefore, any questions or requests for clarification on this policy are to be directed to the Synod Property Officer (Peter Cranna) at [property@ucaqld.com.au](mailto:property@ucaqld.com.au)