

Proposal 4

Mission Development Fund (MDF)

That the Synod:

Requests an updated policy be prepared covering the operation of the 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.
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.

When developed, the policy will be circulated to presbyteries and congregations for final comment and then submitted to Synod Standing Committee for approval.

The Scope

What is the MDF?

- The MDF is a Capital Fund administered by the Synod.
- Its current purpose is to provide for church capital development and growth in congregations and presbyteries in accordance with the guidelines which have previously been set by the Synod.
- Its scope is to apply to all real property sales and subsequent use of the funds where the property is held in the name of The Uniting Church Property Trust (Q.) for the beneficial use of presbyteries, congregations and faith communities.
- Its balance has fluctuated between \$22M and \$26M over the last 5 years.
- The 10 year + balance (that is money that has been held in an account and not been used in the last 10 years) has steadily grown over the last 5 years from \$2.5M to \$6M.
- Attachment A shows this breakdown in detail.
- If you wish to review the 2008 guidelines please follow this link:
<https://synod.ucaqld.com.au/downloads/p3-004-mdf-guidelines/>

Rationale

The case for change

The MDF Guidelines have not been reviewed in over 10 years. A review is necessary to ensure that the operation of the MDF aligns to the direction of the church and meet the needs and priorities of the church.

Good governance warrants a review of the MDF guidelines based on the age of the guidelines alone, but there is further evidence which supports a review of the MDF to reduce unanticipated but inherent inequities.

In practice, the current MDF operates in a way that does not benefit all congregations, presbyteries or the church as a whole. This is because the current MDF principles are based on the expectation that a decision will be made by an entity (ie. a congregation) for the benefit of that congregation only.

As a result, some areas where the church requires capital investment have difficulty accessing the funds in the MDF for investment projects by virtue of the fact that the funds are still attached, via the concept of beneficial use, to the congregation that previously sold property.

In addition, the church has previously been very reluctant to use the guidelines which allows for the removal of a congregational equitable interest in certain funds after those funds have exceeded 10 years in the MDF (Guideline 4.4).

This proposal therefore brings the question of the future funding of capital or development work for the whole of the church back into the light for discussion. It asks us to consider how we might use these investment resources for the future of the church.

It questions the approach that says that the councils of the church act independently of each other. Instead it proposes that we acknowledge that all property held in the name of the church, belongs to the whole of the mission of the Uniting Church.

It proposes greater flexibility for the use of the MDF at the same time as recognising these resources should be used to invest in the future capital and development opportunities for the church.

The Synod in Session is being asked to consider the principals of a new policy which will be developed and communicated before being determined by the Synod Standing Committee. This proposal seeks the wisdom of the Synod in session around those principles.

Definitions

Capital

Wealth in the form of money or other assets owned by a person or organisation or available for a purpose such as starting a company or investing. Any form of wealth employed or capable of being employed in the production of more wealth.

Stewardship

The job of supervising or taking care of something, such as an organisation or property. Steward - someone who manages another's property or financial affairs; someone who administers anything as the agent of another or others.

Beneficial ownership

Beneficial - Relating to rights to the use or benefit of property, other than legal title. From the *Constitution of The Uniting Church in Australia*:

s.50 "The beneficial ownership of all property whether real or personal shall be vested in the Church." The definition is The Uniting Church in Australia (i.e. the national church).

s. 51 "There shall be created in each Synod a body corporate (herein referred to as the Synod Property Trust) in which the legal title to all property, except such as may be prescribed, shall be vested."

s. 52. "All property vested in a Synod Property Trust shall be held, managed and dealt with in accordance with the rules, regulations, by-laws and resolutions made by or under the authority of the Assembly in that regard."

Beneficial Use

Synod By-Laws - A Body's right to enjoy the benefits of the Property, even though, under clause 50 of the Constitution, the beneficial ownership of that Property is vested in the Church.

Body

Body means: (a) a "Body" as defined in clause 3 of the Constitution; or (b) a parish mission under regulation 3.9.1; or (c) a faith community under regulation 3.9.2; or (d) a church council in small congregations under regulation 3.9.3; or (e) any other body established under clause 69 of the

Constitution, which includes, but is in no way limited to: (i) commissions; (ii) charitable trusts; or (iii) other trusts, within the Synod.

Property

Uniting Church in Australia Act 1977 s5 – “property includes real and personal property and any estate or interest in any property real or personal, and any debt, and anything in action, and any right to receive income, and any other right or interest”

Regulations s4.1 – “property means property of whatsoever nature whether real or personal, and includes money, investments, and rights relating to property”

Sustainable

The ability to be maintained at a certain rate or level. Designed or developed to have the capacity to continue operating perpetually.

Prudent

Acting with or showing care and thought for the future.

Accountable

Required or expected to justify actions or decisions, responsible, able to give a satisfactory reason for your actions or decisions.

Transparent

Open to scrutiny, undertaken or conducted in an open and honest way.

Proposers

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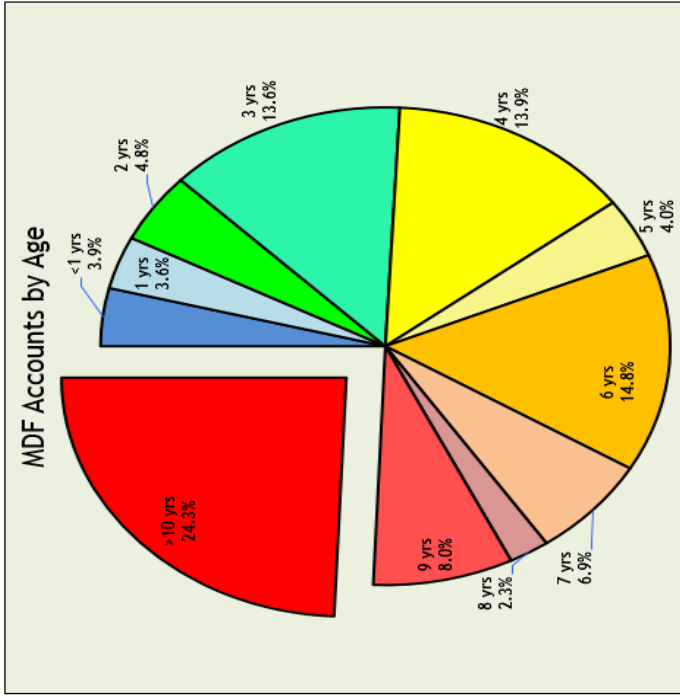




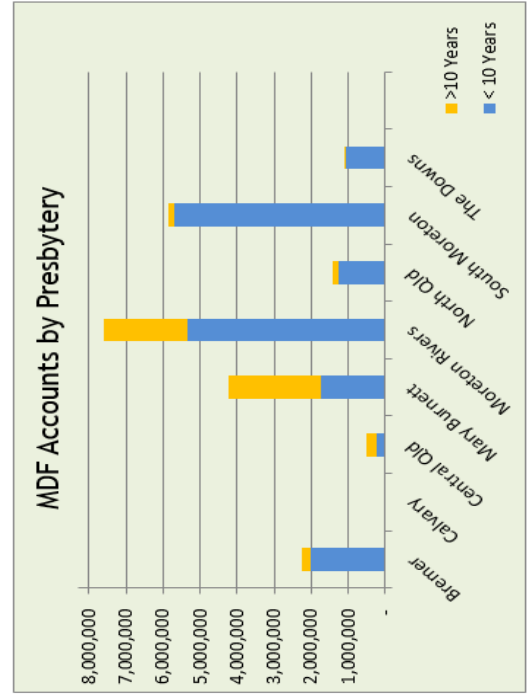
The Uniting Church in Australia
 Queensland Synod Office
Monthly Finance Report – February 2019
Development Fund (MDF) – Results:

Analysis of MDF Ageing by Presbytery
 Month ended 28 February 2019

MDF Accounts by Age		
Age	\$	% of total
<1 yrs	\$901,272	3.9%
1 yrs	\$821,480	3.6%
2 yrs	\$1,094,355	4.8%
3 yrs	\$3,123,634	13.6%
4 yrs	\$3,204,496	13.9%
5 yrs	\$928,912	4.0%
6 yrs	\$3,400,607	14.8%
7 yrs	\$1,584,051	6.9%
8 yrs	\$527,125	2.3%
9 yrs	\$1,832,092	8.0%
>10 yrs	\$5,596,563	24.3%
	<u>\$23,014,586</u>	



Presbytery	MDF Accounts by Presbytery			Variance
	Total \$	%	#	
Bremer	2,274,140	9.9%	14	-0.23%
Calvary	-	-	-	0.00%
Central Qld	501,120	2.2%	11	-3.16%
Mary Burnett	4,228,340	18.4%	20	-0.05% a
Moreton Rivers	7,606,853	33.1%	14	-0.06%
North Qld	1,427,362	6.2%	7	-0.39%
South Moreton	5,856,000	25.4%	3	-0.10%
The Downs	1,120,772	4.9%	5	0.00%
	<u>23,014,586</u>	<u>100.0%</u>	<u>74</u>	



a. MDP - MDF Funds used to purchase new manse at Meridan Plains