

Presbytery of Lake Erie Guidelines for Revolving Loan Fund Application

The Trustees of the Presbytery of Lake Erie maintain a revolving loan fund through which churches may have access to funds for capital projects. The Trustees review requests. When they are satisfied that a loan is in the best interests of both the church and the Presbytery they recommend approval at the next Presbytery meeting.

There is no formal application form or process. Each situation is unique. However, over time an informal process, which has served well, has evolved. The Trustees are looking for the following information:

- A description of the project
 - Plans, pictures and a description of the project. Explain the need and outline the expected uses of the project. (A one or two page narrative together with pictures, plans, descriptive literature, etc. is helpful.)
 - Budget for the project together with bids from contractors or cost estimates. (A one or two page summary helps.)
- A description of how the project will be funded
 - Given the limitation of presbytery funds available for loan, it is also required that the church seeking a loan in excess of \$15,000 will need to pursue other sources of funding including Presbyterian Investment and Loan Program (PILP). **The PILP application process is fairly lengthy. This needs to be pursued very early in the process.**
 - The amount that the congregation will contribute to fund the project
 - Indicate the funds currently available in endowments or reserves
 - Describe fund-raising efforts to-date and planned during the life of the project
 - Amount that needs to be borrowed – indicate probable sources and terms that are expected
 - It will be expected that some sort of capital campaign will need to be undertaken to fund this project, even in churches where there has been no tradition of pledging or capital campaigns
- A summary of congregational data
 - Membership – current and trends
 - Financial data including –
 - Current year operating budget
 - Financial statements for the past three years
 - Amount of endowments and reserves together with description of any restrictions on their use
 - (We have found that a summary of the annual statistical report prepared by the clerk of session is a useful summary of these data.)
- It is expected that the church treasurer, or a person quite knowledgeable of the church finances, would attend the Trustee meeting when the request is made
- Describe the process for obtaining session and congregational approval of the plans
- Demonstrate that the church's finances are up to date, including per capita.
- Anything else that you think would be helpful, for understanding the project