

**Policy Regarding Presbytery Review of Church Financial Integrity
for
Churches with Current or Outstanding Loans**

Adopted February 28, 2012

Churches with current or outstanding Presbyterian Church (U.S.A.) Church Loan Program loans, PCUSA Investment and Loan Program (PILP) loans, construction loans or commercial loans shall annually provide to the Presbytery, by February 15 of each year (or within 45 days of the close of their fiscal year), their year-end financial, membership and attendance reports.

Following review of the submitted reports, a meeting, with the church, may be requested by the Presbytery Property and Finance Committee (P&F) to further review the financial integrity or solvency of the church with regard to their projected ability to extinguish all incurred indebtedness and related Presbytery guarantees.

The reports shall include the following:

1. A brief description of all current real estate related loans entered into or undertaken, granted or guaranteed by the church.
2. The identification of parties involved in the loans.
3. A summary of each loan's terms and conditions.
4. The annual loan costs or income and source of loan repayment coverage.
5. Description and status of church fund raising or pledging programs to assure defeasance or extinguishment of all remaining indebtedness
6. A schedule of all planned transactions or actions regarding financial actions to be undertaken in the current year by the church.
7. The most recent church annual financial reports and the most recent monthly financial reports, including Balance Sheets, Profit and Loss Sheets, Cash Flow Reports and Operating Income and Expense Statement and current Budget versus Actual Expenses.
8. The church's most recent annual and most recent monthly attendance reports and the most recent monthly membership report.

Following review of the church's current financial integrity and its projected ability to extinguish all incurred indebtedness, P&F will advise the Presbytery of its findings and any recommended actions to improve the church's financial position and reduce financial risks to the church and the Presbytery.

If a church becomes delinquent on its loan payments by 60 days, it shall notify the Presbytery, in writing, within three business days.