

THE DIOCESE OF EAST TENNESSEE EPISCOPAL OPPORTUNITY FUND POLICY AND PROCEDURES

A. OVERSIGHT

An Opportunity Fund Committee structured as set forth in Section E shall be appointed by the Bishop to receive all loan and grant applications to make recommendations to the Bishop and Council.

B. CORPUS

1. The corpus of the fund shall at all times be maintained and preserved and only the income therefrom expended for purposes hereinafter provided.
2. The Treasurer of the Diocese shall be custodian of the fund, and he or she shall deposit such Fund with a Federal or State Bank having trust powers or with the Episcopal Endowment Corporation.
3. The corpus of the fund shall be invested at the direction of the Bishop and Council in:
 - a. Low interest loans to parishes within the Diocese.
The maximum term for these loans is 15 years. The present rates are:
Current prime rate less 10% for parishes with a normal operating income (as shown on the most recent parochial report) of \$175,000 or more.
Current prime rate less 30% for parishes with a normal operating income (as shown on the most recent parochial report) of less than \$175,000.
Prime rate is to be that of SunTrust Bank.
 - b. Other investments.
4. The Bishop and Council may add other funds to the corpus of the Opportunity Fund at any time with the right to withdraw such funds at a future date.
5. While all loans are subject to the approval of the Bishop and Council, the Bishop and the Opportunity Fund Committee shall have the authority to approve emergency loans of up to \$10,000.00 on an interim basis and report such loans to the Bishop and Council. Such loans need to be ratified by Bishop and Council and placed in the minutes. Term and interest rates as stated in (3a) apply.

C. INCOME

1. The yearly income from the fund shall be divided and made available to the Bishop and Council for grants: one-half to church expansion and one-half to social ministries.
 - a. Church expansion grants include money for land purchases for future sites; land, buildings, and equipment for existing missions; and building and equipment needs of parishes beyond the means of the congregation.
 - b. Social ministry grants include assistance to parishes and missions within the Diocese that seek support for ministries that meet basic human needs (food, shelter, and energy, as well as emotional, educational and spiritual) and those ministries that seek to affect personal and/or societal transformation through education, rehabilitation and allocation of resources according to the mission and ministry of the Church. Ministries may be separate entities but must have significant Episcopal Church involvement and their grant applications must be approved by Vestry/Council/Board of Directors of their sponsoring Diocesan organization.
 - c. Seed money for new projects will be given priority.
 - d. No annual grant shall be repeated for more than three consecutive years. The above social ministry grants are to be awarded to ministries within the Diocese of to ministries sponsored by Diocesan organizations as in (b) above. Any fund of a grant or ministry project outside the diocese must be matched by funds from the sponsoring agent.
2. Yearly income not expended in a given year pursuant to the foregoing provisions shall Accumulate in the Opportunity Fund and shall be designated as the Mission Growth Fund. This fund shall be allowed to accumulate, and interest earned thereon shall be rolled over into the Mission Growth Fund. Further, solicitations may be made at appropriate times and by appropriate times and by appropriate persons to add to this particular fund within the Opportunity Fund. This fund shall be used for church expansion within the diocese, Including personnel and program support for new mission development and the purchase of land for potential sites and for the building of facilities for new congregations.
3. Follow up evaluation and accounting of social ministry grant money received is expected within one year of the date the grant was awarded. The form for this evaluation is to be sent with the money granted and returned to an appointed Diocesan staff person. (See D1)

D. PROCESS

1. Initial inquiries are received and processed by an appointed Diocesan staff person, who:
 - a. mails out application forms and guidelines to those who request them.

- b. maintains a master list of all organizations to whom application forms have been sent.
 - c. collates and coordinates the return of evaluation forms.
2. Applications for loans and grants are to be made in writing on forms available at Diocesan House. Grants may be initiated by the Bishop and Council, a parish, a mission, or an area Commission of the Diocese. Parishes and missions may apply for expansion grants and loans.

E. OPPORTUNITY FUND COMMITTEE

1. The Opportunity Fund Committee shall consist of two members, two members being appointed from each of the three divisions of the Diocese. At least one member shall be a priest, and at least one member shall be a member of Bishop and Council. The Treasurer and Assistant Treasurer of the diocese shall be ex-officio members.

Committee members shall be appointed to three-year terms, provided that the initial Appointments shall be staggered (i.e., two appointed for one year, two for two years and two for three years).

The Bishop shall appoint one member to be the Committee chair. This appointment shall be a one-year term, but the chair may be reappointed. The chair does not have to be a member of Bishop and Council.

2. Completed application forms are returned to the Diocesan House where a staff person:
- a. maintains a master file of completed applications, including the amount requested and applicant's contact person.
 - b. makes a complete copy for the Bishop and Opportunity Fund Committee members.
 - c. mails a copy of each application to all Opportunity Fund Committee members.
3. The Opportunity Fund Committee chairperson:
- a. contacts the applicant if sections of the application are missing or need amplification.
 - b. designates a committee member to review and (if necessary) research each application and to follow up on delinquent evaluation forms.
 - c. may refer applications to appropriate area commissions or department heads for their review, comments, and suggestions.

- d. coordinates logistics of the Opportunity Fund Committee meetings, including the the setting of meeting, time, and place.
- e. prepares a summary of grant and loan applications and the final recommendation of the Committee (in writing) for Bishop and Council, and mails to all Bishop and Council members prior to Bishop and Council meeting were approval is requested.
- f. presents the Committee's recommendation and reports to Bishop and Council.
- g. sends letters to all applicants of the acceptance or denial on their applications, including how grant or loan money will be distributed.

5. Diocesan Treasurer's role:

- a. request checks be cut for grants (or loaned) monies
- b. sees checks are sent in a timely way and that evaluation forms and statement of accountability for money granted are included.