

NORTH CAROLINA EPISCOPAL FOUNDATION, INC.

Dear Friends,

The members of the Board of Directors are pleased you have chosen to apply for funding from your Foundation and look forward to assisting you. Here is some general information we hope will be helpful.

Except in unusual circumstances your church must have accepted its share of the Diocesan budget and be current in all payments. The Bishop can grant a waiver of this requirement. The Board meets quarterly: 3rd Tuesday in March, June and September and the 2nd Tuesday in December. Our procedures take time so we are not a good source for emergency funds.

1. **The completed forms should be returned to the Diocesan House, Attn: Donna Warner at least 30 days prior to our meeting date.**
All grants need the Bishop's consent and will require a copy of their property and casualty coverage reflecting the Foundation as additional insured. The Historic Church Commission may review and approve requests from an historic property before we receive it.
2. A member (or members) of the Board will call the contact person you indicate to arrange a site visit to review the project and application. They will make a recommendation to the full Board.
3. Once an application is approved the funds are available immediately. The President of the Foundation will inform you of our decision.

If you have further questions, please feel free to contact a Board member, who will be happy to assist you.

Rocky Mount: Val Short (252-537-2649) ; Tom Wellman (252-535-4545)
Jim Thorp (252-937-7717)

Raleigh: May Sherrod (919-571-8491)

Durham: David Dodson (919-286-4152); Tom Evins (919-693-7739);
The Rev. Harrison Simons (919-693-5547)

Greensboro: The Rev. Fred Warnecke (336-288-0221);
Shara Partin (336-421-3776)

Winston Salem Winborne Chandler (336-725-8208)

Southern Pines: Al Carter (910-695-1995)

Charlotte: Gene Carney (704-332-1893)

NORTH CAROLINA EPISCOPAL CHURCH FOUNDATION, INC.

APPLICATION FORM

AMOUNT REQUESTED

Applicant's Name _____ Parish _____ Loan \$ _____
Address _____ Mission _____ Grant \$ _____
_____ Institution _____
Contact Name _____ Phone # _____
Contact Address _____

1. Description of project. (Attach preliminary plans, if any) Why is this project needed?

2. Total estimated cost of project \$ _____, show source of estimate.

3. Amount of funds already accumulated and available for project. \$ _____
How were these funds raised and over how long of a period?

4. What additional amount of funds can be raised? \$ _____ how?

5. Brief description of principal assets owned (land & buildings).

6. What debt is currently outstanding? \$ _____ show terms

7. What do you propose as the term (duration) of this loan? _____ years

8. What is the source of funds for repayment? (Operating budget or otherwise)

9. Contributions to fund the mission and ministry of the Diocese of North Carolina.

20___ Share Assigned \$ _____ Share Accepted \$ _____
20___ Share Assigned \$ _____ Share Accepted \$ _____

10. Your present number of communicants _____; number a year ago _____.
Estimate number next year _____; explain basis for estimate.

11. Attach a copy of your current budget, latest audit and Parochial Report.

The accompanying answers to the foregoing questions are supplied and/or approved by the undersigned.

DATE _____

Sr. Warden (print or type)

Rector/Vicar (print or type)

Sr. Warden (signature)

Rector/Vicar (signature)

Treasurer (print or type)

Treasurer (signature)

DO NOT WRITE IN SPACE BELOW

If Mission Church

Bishop's Office

Foundation

Missionary Resource
Support Team notified:

Date _____

Date _____

Date _____

Action:
____ Recommend Examination

Action:
____ Approved

____ Not Recommended

____ Declined

Comment:

Comment:

NORTH CAROLINA EPISCOPAL CHURCH FOUNDATION, INC.

PROCEDURE FOR MAKING APPLICATIONS

1. Inquiries concerning applications to the Foundation should be made to the Business Office of the Diocese of North Carolina, 200 West Morgan St., Suite 300, Raleigh, NC 27601-1338. In response to the inquiry, the following will be furnished to the applicant:
 - A copy of this procedure statement
 - Policy statement for consideration of applications
 - Application form in triplicate
 - Sample of Certificate of Resolution
2. The application form should be completed in full with all questions answered and all necessary information attached. Two copies of the application along with two copies of the Certificate of Resolution should be returned to the Business Office of the Diocese forty-five (45) days prior to the Board meeting. The third copy should be retained for the files of the applicant. The applicant shall also furnish a copy of its current budget and latest audit and parochial report.
3. The Business Office will submit the application and resolution to the Bishop of the Diocese. If the applicant is a mission church, the application and resolution will be submitted to the Missionary Resource Support. The Foundation will not consider applications without the Bishop's recommendation for an examination, and in the case of a mission church, a recommendation for examination from the Missionary Resource Support Team.
4. When the Bishop's recommendation for examination is granted, the Business Office will forward the original application to the President of the Foundation Board who will make the necessary arrangements for investigation of the application by an Examining Committee.
5. If the application is for a Loan and is approved by the Foundation Board (or by the Executive Committee) the Business Office of the Diocese will advise the applicant and arrange to have the Standard Note Form executed. When the executed note is returned, the Business Office of the Diocese will instruct the Foundation Treasurer to issue a check in the amount of the loan. When a loan application is denied, the Diocesan Business Office will advise the applicant in writing as soon as possible.
6. If the application is for a Grant and is approved by the Foundation Board (or by the Executive Committee) the Business Office of the Diocese will advise the applicant and will instruct the Treasurer of the Foundation to issue a check in the amount of the Grant. When the application is denied, the Business Office of the Diocese will advise the applicant in writing as soon as possible.

NORTH CAROLINA EPISCOPAL CHURCH FOUNDATION, INC.

LOAN AND GRANT APPLICATION EXAMINING PROCEDURE

1. Loan and grant applications will be sent to the Business Office of the Diocese. If the forms are in order, the application will be submitted to the Bishop (and to the Missionary Resource Support Team if the request is from a mission church).
2. Following recommendation for examination from the Bishop, the Business Office will send a copy of the application to the President of the Foundation Board. The President, if it appears advisable, will appoint an Examining Committee, consisting of one or two Directors who reside near the applicant. The Business Office of the Diocese will serve as the Coordinator to the Examining Committee, and will be expected to:
 - a) Send copies of the application to the Examining Committee
 - b) Provide the Examining Committee with all pertinent information, financial and otherwise, both favorable and unfavorable to the application.
3. The Examining Committee will call on representatives of the applicant and familiarize itself with the circumstances relative to the application. Its report to the Foundation Board should relate to the items of the loan policies and should include all pertinent information not clearly and accurately covered in the application itself. The report should include a recommendation.
4. The Business Office of the Diocese will submit a copy of each application to the Foundation Board. The Board is responsible for the decision on each loan and grant request. Its decision will be based on the report of the Examining Committee, the current financial condition of the Foundation, and other such facts as its members have ascertained.
5. The Board will communicate its decision to the applicant through the Business Office of the Diocese.

Information which should be included in Examining Committee's report (most of which is included in the application form):

- a) Names of persons present during the examination
- b) Full description of need for loan or grant
- c) Current budget, latest audit and parochial report
- d) Brief description of principal assets owned (buildings and land)
- e) Any indebtedness of applicant
- f) Past two years performance re: Diocesan Share
- g) Past three years membership totals
- h) Plans for repayment of loan
- i) Projected impact of project

North Carolina Episcopal Church Foundation, Inc.
Policy for Consideration of Applications for Parishes, Missions & Institutions

The Board of the North Carolina Episcopal Church Foundation meets quarterly (unless otherwise determined by the Chairman) to consider applications for loans and grants for capital purposes. All loans and grants must be approved by a majority of vote of the Board. In the case of an emergency application, the Executive Committee may act.

No decision is to set a precedent. Each application will be considered on its own merits and in relation to the funds then available and probable needs for those funds for other projects. This flexibility in the Foundation's policy allows for variations and intangibles that normally affect such decisions. The Foundation attempts to have funds available to aid parishes, missions, and institutions of this Diocese as their needs for capital improvements occur. The resources of the Foundation are limited and accordingly, it has established priorities to be applied to applications. Obviously, not all worthy applications can be granted.

A. The Foundation gives grants and loans for the following projects:

1. The erection of needed church buildings or acquisition of church property even though other credit is obtainable. However, such a grant or loan can be made only when, in the opinion of the board, it will not deprive some other congregation whose resources are more limited and whose project is more dependent on a Foundation loan.
2. Capital repairs and renovations. Loans provided for repayment in up to ten (10) years and shall be made at the interest rate established by the Foundation at the time of the loan.

B. Grants and Loans are limited to the following guidelines:

1. A limit of 3% of the Foundation's assets, as of the past fiscal year, are available for grants. The amount available for the following year is set at the December meeting.
 - a) Grants are available to missions only. Grants may be made in amounts up to \$10,000 when the request is based on need.
 - b) The maximum (loan to) any parish, mission or institution totally owned by the Diocese is \$150,000.
2. Consideration of applications may be deferred for one quarter if the amount of funds available to the Foundation for meeting the anticipated need is in question.
3. If an application for a loan or grant is not approved, the Board may, at the request of the applicant, appoint a new Examining Committee. The examining procedure will be followed once more. If the request is not approved after this second examination, the applicant may not apply again for at least one year.
4. Funds are conveyed upon approval of the application by the Board. In the event the funds are not taken when approved, two weeks notice to the Foundation is needed to receive the funds. An applicant that has been approved for a loan or grant must accept the full amount of the funding (or the amount that is needed for the project) within 6 months of the date of approval. The parish may reapply for the loan if the funds are still needed.

C. Criterion which must be met by all applicants in order to be considered are:

1. An applicant that is a parish or mission of the Diocese must have accepted, and be current in the payment of 26% of its Share of the Diocesan Budget. It, also must accept the remainder of its Share (74%) each year during the term of the loan and be current in its payment.
2. A prerequisite for approving any loan is confidence that the borrower is capable and willing to meet its commitment for repayment. Factors considered in this decision are:
 - a) A successful general campaign to raise money or pledges for the project.
 - b) Other funds available to the applicant for the proposed project in addition to the funds requested from the Foundation.
 - c) The amount requested from the Foundation and the total debt of the applicant as each relates to the cost of the project.
3. A loan application must provide for interest and full repayment within a maximum of ten (10) years with payment of not less than 1/40 of the face amount payable each calendar quarter.
 - a) Where possible, early repayment of loans is encouraged, in order to make funds available to other applicants. There is not penalty for early repayment.
4. Requests must be received 45 days before a scheduled meeting of the Board. The Board meets the third Tuesday of March, June, September and December.

D. Special Consideration is given to the following applicants:

1. Historic Churches, both Parishes and Missions per Special Policies adopted November 1982. (Attached)
2. Applicants who have not paid their apportioned Share of the Diocesan budget but have emergency repair needs for their property can be given special consideration on recommendation of the Bishop or the Standing Committee.
3. An application from a growing congregation with strong local leadership where local credit is limited or not available.

Revised March 2005

SPECIAL POLICY FOR CONSIDERATION OF APPLICATIONS FOR HISTORIC CHURCHES, BOTH PARISHES AND MISSIONS (ADOPTED NOVEMBER 1982)

Upon occasion, parishes and missions which normally could finance maintenance and restoration (rehabilitation) projects for their properties may find that, because of the historicity and age of the property their funds may be insufficient to meet the sometimes unusual costs of proper rehabilitation. Therefore, in addition to the usual funds available for loan/grant, some funds could be made available through the Foundation to be granted for rehabilitation to historic mission or parish buildings that cannot be financed otherwise in their entirety.

These funds may be used for such purposes as, but not limited to:

- a) Supplement existing funds for unusual maintenance needs to preserve the historic nature of a church building (hand carved barge boards, for example)
- b) Supplement a fee for engaging a restoration specialist to survey and plan a major project

Applications for funds will be considered from all mission and parishes if they meet at least one of the following criteria of historicity:

- a) The property has been nominated to the National Register of Historic Places; or
- b) The property has been designated as a local Historic Site; or
- c) The property has been included as a contributing building in a Historic District (may require additional evidence); or
- d) The property is listed in an inventory by the Survey and Planning Branch of the Division of Archives and History; or in lieu of any of the above,
- e) The Board of Directors of the Foundation may at its discretion send an architectural consultant or restoration specialist with members of the Executive Committee on the official on-site visit that takes place prior to final consideration of the application.

NORTH CAROLINA EPISCOPAL CHURCH FOUNDATION, INC.

SAMPLE OF CERTIFICATE OF RESOLUTION

WHEREAS, the Vestry of _____ (name of church) _____ of _____ (address) _____, has read the questions set out on the North Carolina Episcopal Church Foundation Application Form and has supplied the answers for the same, dated _____ which questions and answers are incorporated herein by reference; and

WHEREAS, this Vestry deems it to be in the best interest of the Church that the project described in the aforesaid Application be undertaken, and that funds for the same in the amount of \$ xxxxxxxxxxxx be requested from the North Carolina Episcopal Church Foundation, Inc., in accordance with the aforesaid Application and the answers thereto; and

WHEREAS, this Vestry represents that it intends and expects to accept and to pay the Church's Share assigned to this Church throughout the term of the loan; therefore

BE IT RESOLVED, that the Rector, Wardens and the members of the Vestry be and they are hereby directed on behalf of _____ (name of church) _____ to make application to the North Carolina Episcopal Church Foundation, Inc., by executing the aforesaid Application and filing the same with two copies of this Vestry's answers thereto in the office of the Business Office of this Diocese; and the Secretary of this Vestry is authorized and directed to execute a Certificate of this Resolution in support of the said Application.

I certify that the above resolution was duly and property adopted by the Vestry of _____ (name of church) _____, meeting at _____ (address) _____ on the _____ day of _____, 20____, a quorum being present.

DATE: _____

SIGNED: _____ /s/
Secretary of Vestry of
Mission Committee