

PRESBYTERIAN MISSION AGENCY BOARD
February 5 – 7, 2014
Stony Point Incorporation Evaluation Committee

ITEM A.102
FOR ACTION

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
X	A. Finance		E. Corporate Property, Legal, Finance
	B. Justice		F. PC(USA), A Corporation
	C. Leadership		G. Audit
	D. Worshiping Communities		H. Executive Committee
			J. Board Nominating & Governance Subcommittee
			P. Plenary

Subject: The Stony Point Incorporation Evaluation Committee Report and Recommendations

Recommendation: The Stony Point Incorporation Evaluation Committee recommends that:

- Its report be received.
- The following recommendations be adopted by the Finance Committee and recommended to the Board for its approval:
 - That the proposed incorporation of Stony Point not go forward at this point.
 - That the Evaluation Committee and the Transitional Task Team (TTT) be dismissed at the conclusion of this meeting of the Presbyterian Mission Agency Board.

Background:
 See the attached Report.

Stony Point Incorporation Evaluation Committee Report Dated December 31, 2013

Executive Summary:

This Committee was appointed in response to the resolution passed by the Presbyterian Mission Agency Board (PMAB) on September 28, 2013 referring the Stony Point Transition Task Team's (TTT) incorporation recommendation to a three person evaluation committee for review, using the *Criteria and Standards Applied by the General Assembly Council When it Considers Proposals for New Corporations* (approved by the General Assembly Council in March of 2007, hereinafter referred to as Incorporation Criteria). The Chair of PMAB appointed the three-person committee, which includes no members who served on either the Stony Point Task Force (SPTF) or the TTT. The Committee includes Molly Baskin, Conrad Rocha, and Linda Scholl. Biographies of these members are included in an appendix.

A list of appendices, together with those appendices themselves, follows this report.

The Committee met in person in Louisville November 18-20, subject to the Open Meeting Policy of Presbyterian Church (U.S.A.) [PC(USA)]. It was staffed by April Davenport, Associate General Counsel. The Committee interviewed a number of people involved with the original proposal. These people were:

- Kris Baker, Manager, Risk Management.
- Martha Clark, General Counsel.
- Roger Dermody, Deputy Executive Director for Mission.
- Melissa DeRosia, member of the SPTF and chair of the TTT.
- Eric Hoey, Program Director, Evangelism and Church Growth.
- Mike Kirk, Associate General Counsel.
- Tim Quinn, Assistant Treasurer.
- Dottie Smith, Treasurer.
- Rick Ufford-Chase, Co-Executive Director of Stony Point (SP).
- Linda Valentine, Executive Director of the Presbyterian Mission Agency (PMA).
- Earline Williams, Deputy Executive Director, Shared Services.

Based on these conversations, the Committee's reading and analysis of previous documents (including the SPTF and TTT reports to PMAB), and its investigation carried out through the conversations noted above, it has determined that the SPTF and the TTT did not make the case required by the Incorporation Criteria and that a significant amount of further work would be required before an incorporation decision could be considered by the PMAB.

Background:

The TTT proposed that a Stony Point Corporation would operate and occupy the SP properties primarily as a mission enterprise of the PC(USA), reaching out in ecumenical/interfaith cooperative peacemaking. The corporation as envisioned would function in accordance with PC(USA) commitments to peacemaking, consistent with the terms of gifts of the existing

properties, and subject to the rules and regulations existing under the civil authority of New York and its laws. In addition to education and conferencing, the TTT envisioned a broad range of hospitality services for the diverse population of New York City and a growing national exposure.

Framework for Decision:

The Committee took a step back from the previous work and determined that a fundamental strategic question has been neither asked nor answered: Does the PMA want to be engaged in multi-faith ministry as envisioned by SP and the TTT—meaning both that the content of the ministry is appropriate to the work and mission of the PMA and that it can and will be supported financially? This is a Board decision, to be informed by the Mission Work Plan and the close analysis of management and the Board. The decision tree included as an appendix reflects the Committee's thinking, and the paragraphs below give some explication of it.

If the answer is yes, the PMA has two alternatives:

- To evaluate and run the program internally. This would require determining whether the program can and will be self-sustaining. If the answer to this question is yes, then it could continue to be an internal program, requiring it to break even annually. If the answer to the self-sustaining question is no (and this has been the case for some years), then the PMA Board would evaluate what level of support it would need and for how long and determine what priority the program would have compared to other ministries to be funded.
- To recommend separate incorporation to the GA. This would require the proposed corporation to meet the Incorporation Criteria using the kinds of analysis dealt with later in this report.

If PMAB decides, on the other hand, that it does not wish to remain engaged in this type of multi-faith ministry, it would refer the issue to the GA, which would have to go through the same kind of analysis as the PMAB: does it wish to be in the proposed multi-faith community ministry.

If the answer to this is yes, then the GA would also have to require the proposed corporation to meet the Incorporation Criteria using the kinds of analysis dealt with later in this report.

If the answer is no, then there are two general options for Stony Point that the GA would have to deal with:

- Spin the ministry off to a mid-council or to an independent entity. This decision would entail a number of negotiations, including assets to be transferred and the compensation to PMA for any assets transferred.
- Wind down the ministry as it exists. This would require an estimate of the costs of terminating the ministry.

Other Issues to Be Examined:

Beyond the major strategic question, the Committee determined that there were a number of other questions that were either not considered at all or were not thoroughly analyzed. These include:

- Financial issues.
- Property issues.
- Systems required for independent operation.
- Marketing.
- Risks inherent in the plan.
- Board issues.

We will explore, below, each area and point out the kinds of work that we believe would need to be completed and reviewed in detail before incorporation could be seriously considered.

Financial Issues:

The TTT leaned heavily on the 2012 SP business plan, which was subsequently updated to include interim 2013 results. There was no evidence that a thorough analysis of this plan was performed.

It is clear that, despite break-even or near break-even performance, SP is currently not financially viable as a stand-alone entity. By its own admission, it has significant deferred maintenance and upgrades that need to be done but only limited resources to accomplish these. The PMA has been underwriting a significant portion of the operational costs of SP, which for the past several years, if not since inception, was intended to be a self-supporting ministry of PMA. To date, the operational losses of SP, and which losses have been covered by the PMA, are approximately \$1.5MM.

In addition, there is no real plan to get the enterprise to financial viability. The projections included in the business plan were not subjected to analysis and stress testing, which are standard process for a business plan. There is no consideration of a downside case: What happens if the economy does not improve or if it gets worse? What if occupancy does not reach forecast levels or if it reaches them more slowly than anticipated? What if room rates do not reach the forecast level? What if energy costs are higher than expected? What consideration has been given to SP becoming subject to federal and state income tax, because some or all of the income is determined to be unrelated business income by the IRS?

There is no consideration of the opportunity cost of the money used to fund SP. That is to say, there was also no analysis of the opportunity cost of keeping the property, rather than selling it and investing the proceeds with the Foundation, using the income to fund world mission and potentially freeing up unrestricted funds now used for this purpose.

There is no discussion of benchmarks to be used to track whether the plan is in fact moving toward fiscal viability—room rates, occupancy (one could probably back into these numbers, but

they are not laid out in specifics), fundraising dollars, numbers of donations, and types of fundraising (individuals, foundations, churches, etc.), among others.

There is also no discussion of the kinds of financial reporting one could expect—monthly/quarterly/annual numbers considered against budgets and the prior year. And the only financial statements considered were income statements. There was one balance sheet but no cash flow statement. Each of these imparts useful and important information for management, for the Board, and for donors.

Finally, there is no specific capitalization plan which lays out needs in detail—money to be raised from outside investors and how much; what the plan will cost PC(USA); and, the timing for both. This analysis is crucial to understand how SP can get to viability and be able to invest in the capital assets and personnel it believes it needs. And, further, it is critical to the making of decisions by PMA, GA or mid councils, as appropriate, regarding what financial resources they would need to invest in this ministry as it attempts to move toward viability.

Property:

There was no discussion of the restrictions placed on the various properties by the donors and how the proposed use would fulfill these restrictions. These restrictions are not trivial and limit how each of the properties can be used and what should happen if they cannot be used for their intended purpose.

The TTT did address the upgrading of the physical plant to some extent. However, it did not give a detailed account of the current condition of the buildings and grounds. An explication of what is deferred maintenance vs. what is desired upgrading and the reasons for the upgrades would have been helpful.

Finally, the option of selling the property was not addressed. A formal appraisal is probably not necessary, but discussions with local real estate professionals would have indicated a probable value for the property, together with an estimated marketing time. These data would allow a more robust analysis of the proposed use of the property.

Systems and Support Required:

There are a number of systems that would need to be in place to support this incorporation. The proposal considered financial systems and indicated that SP would likely contract with PC(USA) to provide accounting and IT services.

This would not, however, include audit services, which most institutional donors would expect, if not require. This is not an inconsequential expense, and it would have to be worked into the business plan. It was unclear from where risk management services and analysis would come. In addition, legal support would be necessary. Finally, budgeting and modelling would be necessary to be able to plan and to update the business plan. Likewise, we were advised that a staff person had been promoted to oversee the daily operations of SP, but it is not clear what that person's qualifications, training and experience are, what the specific job description is, and how that person will be evaluated.

Marketing:

To make the business plan and the numbers work, a marketing plan would have to be in place. This would include such specifics as:

- To whom will the facility be marketed?
- For what specific purpose with it be marketed?
- How will the marketing be done and by whom?

Corporate Board:

The Committee does not perceive that significant planning has gone into the Board process. A governing Board needs to understand the roles it will undertake—oversight of the facility and programs, strategic planning, fundraising, advising the Executive Director, and perhaps others that should be specifically identified. There needs to be serious thought given to the size of the Board, what skill sets it needs to have, and governance issues.

Risks and Mitigation:

A part of any investment proposal should be consideration of significant risks and whether/how they can be mitigated. This was missing in the SPTF and TTT reports. Risks that the Committee identified that would need to be dealt with include:

<u>Risk</u>	<u>Possible Mitigation</u>
Rick and Kitty Succession Skill sets	Succession planning Key person insurance Fill holes with other people: Operations Management Financial Other
Possible issues of some interest groups within PC(USA) relative to proposed use of the property	May not be mitigated
Funds development	Need a specific plan Identify lead donors
Personnel and volunteers	Strong controls: Personnel policies Volunteer policies Enforcement and follow-up
Unrelated business income	If SP stays within PC(USA), not an issue (small part of Income of the whole) If stand-alone, may be a major issue that may not be mitigated
Arts center gift: What was promised to the donor? Was PC(USA) gift acceptance policy followed?	For the past, probably not changeable. For the future, ensure that gift restrictions are clear and acceptable.

Summary:

In this report, this Committee has identified a number of issues that would need to be addressed if Stony Point is to be incorporated separately. These include:

- Answering the strategic question of whether PMA wishes to engage in the type of ministry envisioned by Stony Point management and the TTT.
- Financial issues.
- Property issues.
- Systems required for independent operation.
- Marketing.
- Risks inherent in the plan.
- Board issues.

The Committee is happy to meet with both the PMAB Finance Committee and the PMAB at their February, 2014 meetings to present our findings and rationale.

Conclusion:

It was not part of the charter of this Committee to correct any deficiencies in the SPTF and TTT reports, only to ensure that the Incorporation Criteria were followed. As we have indicated, the reports, in our estimation, did not result from a full and robust analysis of the issues which would be crucial to determine whether an approved corporation would most likely succeed and should, therefore, be recommended to separately incorporate as an agency of the General Assembly.

Recommendations:

1. Accordingly, the Committee recommends that the incorporation of SP not go forward at this point.
2. The Committee further recommends that both the TTT and this Committee be dismissed at the conclusion of the February, 2014 PMA Board meeting.

**Stony Point Incorporation Evaluation Committee
Report Dated December 31, 2013
List of Appendices**

- 1. Board Action dated September 27, 2013, creating Stony Point Incorporation Evaluation Committee.**
- 2. Executive Committee Action dated November 5, 2013 appointing Evaluation Committee members.**
- 3. Criteria and Standards Applied by the General Assembly Council When It Considers Proposals for New Corporations (dated March, 2007).**
- 4. Biographies of Evaluation Committee members.**
- 5. Strategic decision tree.**
- 6. Board action dated September 23, 2011, creating Stony Point Task Force.**
- 7. Stony Point Task Force report dated September 12, 2012 (without all attachments)**
- 8. Board action dated September 14, 2012, creating Stony Point Transitional Task Team.**
- 9. Stony Point Transitional Task Team report to PMAB dated September 25, 2013 (without all attachments)**
- 10. Stony Point Center business plan.**

To Be APPROVED: February 2014

**MINUTES OF THE
PRESBYTERIAN MISSION AGENCY BOARD
OF THE
PRESBYTERIAN CHURCH (U.S.A)**

**Ninety-eighth Stated Meeting
Louisville, Kentucky
September 25-27, 2013**

**As Recorded by the Staff of the
Office of the Executive Director of the
Presbyterian Mission Agency
100 Witherspoon Street
Louisville, KY 40202**

Index to the Minutes

Actions (in Numerical Order)

- 1-913 Approve Agenda
- 2-913 Approve Excused Absences
- 3-913 Approve April 2013 Board Meeting Minutes
- 4-913 Closed Session – Report of the Executive Director Review
- 5-913 Changes to the Manual of Operations, Section V. – Presbyterian Mission Agency Staff Organization
- 6-913 Changes to the Manual of Operations, Appendices 2A and 2B – Presbyterian Mission Agency Staff Organization
- 7-913 Stony Point Center Transition Task Team Recommendations
- 8-913 Approve Amendment to Agenda
- 9-913 Approve Finance Committee Consent Agenda
- 10-913 Convene as Board of PCUSA, A Corporation
- 11-913 Approve Affiliation with Creation Justice Ministries
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- 20-913 Include Meeting with the Advocacy Committee for Racial Ethnic Concerns in the Manual of Operations
- 21-913 Include Meeting with the Advocacy Committee for Women’s Concerns in the Manual of Operations
- 22-913 Amend Mission Responsibility Through Investment Committee (MRTI) Description in the Manual of Operations
- 23-913 Amend Presbyterian Disaster Assistance Advisory Committee (PDAAC) Description in the Manual of Operations
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- 25-913 Generative Role of Board Members
- 26-913 Authorize Chair and Vice-Chair to Review and Approve Requests to Serve Holy Communion
- 27-913 Approve Amendment to Agenda – Belhar Confession
- 28-913 Stony Point

Appendices

1. Board Meeting Agenda
2. Board Development Presentation
3. Executive Committee Report Two
4. Finance Committee Report One
5. Presbyterian Association of Musicians (PAM) Presentation
6. Financial Report
7. Finance Committee Report Two
8. Justice Committee Report
9. Leadership Committee Report
10. Worshiping Communities Committee Report
11. Audit Committee Report
12. Executive Committee Report Three
13. Stony Point Conference Center – Statement of Financial Position
14. Information Items

ACTION 7-913
FINANCE COMMITTEE
REPORT – STONY POINT
CENTER TRANSITION
TASK TEAM

Jo Stewart, vice-chair of the Finance Committee presented the report of the Committee (**Appendix 4**).

Upon request from the Board, Melissa DeRosia, chair of the Stony Point Transitional Task Team, presented background information on the work of the Task Team which was created by the Presbyterian Mission Agency Board in September 2012 in response to a proposal from the Stony Point Task Force established the previous year.

Following DeRosia's presentation, the Presbyterian Mission Agency Board **VOTED** to approve the following recommendations of the Finance Committee:

1. Refer the Transition Task Team's recommendation for incorporation (See attached Item A.103) to a three-person evaluation committee for review using the *Criteria and Standards Applied by the General Assembly Council When it Considers Proposals for New Corporations (approved by the GAC 3/2007)*, with the evaluation committee to be appointed by the Chair of the Presbyterian Mission Agency Board ("Board"), with preference given to individuals with financial, legal and ministry experience who have not served on either the Stony Point Task Force or the Stony Point Transition Task Team or as staff support to either, said evaluation committee to provide a report and recommendation to the Board through the Finance Committee at the February 2014 Board meeting; and
2. Direct the evaluation team to finish its work by December 31, 2013, and to provide educational opportunities about its findings to the PMAB prior to the February 2014 Board Meeting.
3. Direct the evaluation team to consult with the chair of the Transition Task Team prior to making its final recommendations.

**Report A.001
Finance Committee
Presbyterian Mission Agency Board
September 26, 2013**

The Finance Committee reports the activities of the September 25-26, 2013 meeting.

I. FOR ACTION:

The Finance Committee:

Received the report of the Stony Point Center Transition Task Team (**A.103**) and recommends referral by the Presbyterian Mission Agency Board as follows: (**A.104 as amended below.**)

1. Refers the Transition Task Team's recommendation for incorporation (See attached Item A.103) to a three-person evaluation committee for review using the *Criteria and Standards Applied by the General Assembly Council When it Considers Proposals for New Corporations (approved by the GAC 3/2007)*, with the evaluation committee to be appointed by the Chair of the Presbyterian Mission Agency Board ("Board"), with preference given to individuals with financial, legal and ministry experience who have not served on either the Stony Point Task Force or the Stony Point Transition Task Team or as staff support to either, said evaluation committee to provide a report and recommendation to the Board through the Finance Committee at the February 2014 Board meeting; and
2. Direct the evaluation team to finish its work by December 31, 2013, and to provide educational opportunities about its findings to the PMAB prior to the February 2014 Board Meeting.
3. Direct the evaluation team to consult with the chair of the Transition Task Team prior to making its final recommendations.

RATIONALE

Background

The Finance Committee of the Presbyterian Mission Agency Board ("Board") recommended the Board create a task force to study missional alignment, viability, financial sustainability, and management performance of Stony Point Conference Center with a report and recommendation to the February 2012 meeting of the Board. The Task Force was formed and reported to the September 2012 Board meeting. The Task Force recommended approval of a path toward incorporation, not incorporation, as well as the appointment of a Transition Task Team to guide this process toward incorporation. Both the Task Force and the Transition Task Team were aware of the *Criteria and Standards Applied by the General Assembly Council When it Considers Proposals for New Corporations* ("Incorporation Criteria"). The Transition Task Team submitted its report to the Finance Committee for consideration at the September 25-27, 2013 meeting and is recommending incorporation.

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September 25-27, 2013
Finance Committee
A.001

Proposed Action

Pursuant to the Incorporation Criteria, once a proposal for incorporation is received, it proceeds through an evaluation process (See Parts IV and II of the Incorporation Criteria). The above recommended action proposes the Finance Committee receive that report and recommend that the Board refer it to an Evaluation Committee, to be appointed by the Chair of the Board, consistent with the Incorporation Criteria to move the incorporation recommendation to the next step of the incorporation proposal process. This is a necessary process to provide objective review of the proposal against the criteria and standards of the Incorporation Criteria.

Summary of History of Incorporation Criteria

At the September 14-15, 2005 General Assembly Council (“GAC”)¹ meeting, the Worldwide Ministries Division Committee reported it voted to move expeditiously to bring a recommendation to the February 2006 GAC meeting for recommendation to the 2006 General Assembly to timely establish 501(c)(3) status for a Presbyterian relief and development organization that would include Presbyterian Disaster Assistance and other Global and Witness programs as deemed appropriate. The recommendation came to the February 2006 GAC meeting, and the GAC ultimately voted to postpone consideration of the recommendation until the GAC’s April 2006 meeting. Upon recommendation from the Executive Committee, the GAC directed that a staff team develop and propose a design for a year of further study of the proposed incorporation of Presbyterian Relief and Development entity as a 501(c)(3) charitable non-profit corporation. The action stated *the design will assure the development of criteria the council may use to assess this and any future proposals for incorporation* (emphasis added) and will be presented for consideration and approval at the September 2006 meeting of the GAC. At its September 2006 meeting the GAC approved the appointment of two study committees: an Incorporation Criteria study team to report to the March 2007 meeting and a Relief and Development Entity study team to report to the September 2007 meeting. The rationale was the work of the Incorporation Criteria study team would report prior to the work of the Relief and Development Entity study group and inform the work of the Relief and Development Entity study group.

The work of the Incorporation Criteria Study team was presented to the March 2007 GAC and the report was adopted. The GAC also voted to create a subcommittee of five GAC members to review and consider the report and recommendations of the Incorporation Study and report (regarding the incorporation of Relief and Development) to the September 2007 GAC meeting. The report from the Relief and Development Entity Study Team was received and the recommendation to incorporate approved pending successful completion of a list of issues which constituted the minimum list, not the exclusive list. The list referred to the Incorporation Criteria. The action also created a committee to take appropriate next steps in light of the list referenced above. Since then, the Incorporation Criteria have been followed whenever

¹ The General Assembly Council came to be known as the General Assembly Mission Council and is now known as the Presbyterian Mission Agency Board.

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the formation of a new corporation is being considered, and sets minimum standards not maximum A.001 standards. A brief review of the Incorporation Criteria follows.

Incorporation Criteria (attached)
Criteria and Standards Applied by the General Assembly Council
When it Considers Proposals for New Corporations

The study team was created by action of the GAC at its September 2006 meeting. Chair, Allison Seed appointed the following team members:

Kristine Baker, Risk Manager
Gary Cook, Relief and Development Director (later replaced by Gordon Edwards to fill the vacancy when Gary Cook left the team)
Rob Craig, Ghost Ranch Conference Center Executive Director
Gordon Edwards, GAC member
Eric Graninger, General Counsel
Alan Krome, Associate for Special Offerings
Sara Lisherness, Peace and Justice Director
April Mathes, Assistant Human Resources Director
Gradye Parsons, Associate Stated Clerk and Director of Operations, OGA
Dottie Smith, Associate Director for Finance/Treasurer

The study team worked and met several times between November 2006 and February 2007. It consulted with representatives of mid-councils, GA corporations and GAC staff with whom they related, representatives of mission work areas potentially affected by the incorporation of a relief and development entity, and representatives of the Stated Clerk and national conference centers.

The Incorporation Criteria is comprised of four parts:

- Part I: Guiding Principles
- Part II: Evaluation Criteria
- Part III: Structures and Functions
- Part IV: Processes for considering corporation proposals.

The “Guiding Principles” section provides a historical perspective on the importance of creating and maintaining effective, simplified corporate structures. Prior to reunion both the United Presbyterian Church in the United States of America (“UPCUSA”) and the Presbyterian Church in the United States (“PCUS”) reorganized their respective corporate structures in a manner that resulted in one main operating corporation. The 1983 Articles of Agreement gave the GAC specific instructions about development of a mission structure which provided for streamlining of the structure of the reunited church. From that point forward, the GAC (now the Board) has used a very organized approach to maintain the streamlined structure. While the Board does not have the same role as to the other General Assembly entities it had at reunion, it does exercise control over decisions to separately incorporate aspects of its mission and operations. Creating a new corporation creates a new layer of bureaucracy and complexity, the need for which must be evaluated and demonstrated.

Part I: The Guiding Principles contain nine enumerated conclusions. It also states that “ Since their adoption [the *Organization for Mission* and the *Book of Order*], the General Assembly has been able to

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review its corporate mission structure, change to meet evolving needs and establish new corporations as needed. Among the nine listed areas to be considered when a change to the structure is proposed were:

1. If a primary reason for a separate corporation pertains to challenges within the GAC operations that affect others within the existing corporation (e.g., inefficiencies, lack of flexibility, lack of capacity), preference should be given to addressing those challenges within existing structures before consideration is given to developing a separate corporation.
2. The independence of the new corporation should be in proportion to the need for independence in decision making by the new corporation.

Part II. Evaluation Criteria states “All corporation proposals will be subject to a two-step evaluation of the criteria below. As a first step, the proposal must meet the justification criteria (Sections A, B, and C). If responses to those questions are deemed appropriate, the proposal then proceeds to the second step, the viability criteria (Section D). In order to be approved, a proposal must respond satisfactorily to all criteria (Sections A-D).”² Section E makes clear that the proposal must be evaluated. Section E provides:

“E. Considerations for the GAC and other bodies (e.g. GAC subcommittees) evaluating the proposal for the new corporation.

1. The evaluating body should carefully and independently evaluate all of the above criteria (Sections A-D).
2. The evaluating body should consider the experience of at least two similar corporations in other denominations. This consideration should include the impact on both the new corporation and the related work left within the denominational structures.
3. The evaluating body should consider both the positive and negative consequences of past incorporations at the GA level.
4. Does the proposal seem driven more by mission priorities or by a desire for more funding?”

Section E and the introductory paragraph of Part II distinguish between the proposal from the evaluation, and Section E prescribes that the evaluating body should independently evaluate all of the criteria. The proponent is expected to refer to the Incorporation Criteria when preparing a proposal for incorporation, but the proponent is responding to the criteria and cannot then also determine the adequacy of its response.

The last section is **Part IV: Processes for considering corporation proposals**. The sections most relevant to this Recommendation are Sections C-E.

“C. Proponents should use this Criteria and Standards document in making their proposals for new corporations.

D. In most instances, the GAC should authorize a subcommittee to consider the proposal. This allows a smaller group representative of the GAC to pursue the substantial work required in evaluating a proposal. At least a majority of this subcommittee should be comprised of GAC

² To assist in reviewing, headings for Sections A-E are provided as follows:

Justification Criteria: The proposal must make showings on the following points to justify the creation of a new corporation:

- A. Concerning the necessity of separate incorporation
- B. Concerning the impact on the remaining church structure as an institution
- C. Concerning the impact on the church’s integrity as a faithful, prophetic, and theologically sound part of the Body of Christ

Viability Criteria:

- D. Concerning the viability of the proposed new corporation
- E. Considerations for the GAC and other bodies (e.g. GAC subcommittee) evaluating the proposal for the new corporation.

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elected members. It may be appropriate in some instances to appoint non-GAC members because of particular expertise or the like.

E. Both the proposal and evaluation processes are in depth and time-consuming. Proponents should allow enough time to perform their necessary work and enough time subsequent for the GAC to perform its evaluation work. For its evaluation work, the GAC should set timelines to ensure it has adequate time to fully consider the proposal and vote upon it before the deadline for sending items to the General Assembly.”

In view of the history and development process of the Incorporation Criteria, use of the Incorporation Criteria is not optional. Section D’s instruction that the Board “in most instances”... “should” authorize a subcommittee, gives the Board flexibility when it determines extraordinary and exigent circumstances exist to exempt a proposal from review under the Incorporation Criteria.

Rationale Summary and Conclusion

Parts II and IV of the Incorporation Criteria direct that the proposal from the Stony Point Transition Task Team must move to the next step to be reviewed by an evaluating team to ensure the proposal responds to the Incorporation Criteria and that any decision to separately incorporate is in the best interest of the Presbyterian Mission Agency, as it fulfills its mission responsibilities within the denomination.

**Presbyterian Mission Agency Board
Executive Committee
November 5, 2013**

ACTION ITEM

Subject: Appointment of Stony Point Incorporation Proposal Evaluation Committee

Recommendation: That the Executive Committee ratify the appointment of the following three persons to the Stony Point Incorporation Proposal Evaluation Committee:

- **Conrad Rocha**
- **Linda Scholl**
- **Mary C. “Molly” Baskin**

Background:

The appointment of a Stony Point Incorporation Evaluation Committee is being made in response to the actions taken by the Presbyterian Mission Agency Board at the September 2013 Board meeting:

1. Refer the Transition Task Team’s recommendation for incorporation (See attached Item A.103) to a three-person evaluation committee for review using the *Criteria and Standards Applied by the General Assembly Council When it Considers Proposals for New Corporations (approved by the GAC 3/2007)*, with the evaluation committee to be appointed by the Chair of the Presbyterian Mission Agency Board (“Board”), with preference given to individuals with financial, legal and ministry experience who have not served on either the Stony Point Task Force or the Stony Point Transition Task Team or as staff support to either, said evaluation committee to provide a report and recommendation to the Board through the Finance Committee at the February 2014 Board meeting; and
2. Direct the evaluation team to finish its work by December 31, 2013, and to provide educational opportunities about its findings to the PMAB prior to the February 2014 Board Meeting.
3. Direct the evaluation team to consult with the chair of the Transition Task Team prior to making its final recommendations.

Bios of Evaluation Committee Members:

Conrad M. Rocha

Conrad M. Rocha is synod executive/stated clerk of the Synod of the Southwest. He is a member of the State Bar of New Mexico and, therefore, a licensed attorney in the State of New Mexico. He received his Bachelor of Arts Degree in Political Science and Economics (Magna Cum Laude) and his Juris Doctor Degree from the University of New Mexico (UNM).

Prior to becoming the Interim Synod Executive/Stated Clerk of the Synod of the Southwest, Rocha served as the full-time Executive Director of Law Access New Mexico; Vice-President for Institutional Advancement and Chief Financial Officer of Menaul School; and Administrator of First Presbyterian Church of Albuquerque. He joined the staff of First Presbyterian Church

Presbyterian Mission Agency Board

Executive Committee

November 5, 2013

after a six year term in the world of public accounting, employed by the then largest accounting firm in the world as a tax attorney and accountant.

Rocha is currently a member of La Mesa Presbyterian Church in Albuquerque, New Mexico. He has served on the Board of Trustees of: the Presbytery of Santa Fe (presbytery council), chairing its Council Committee on Finance and Property; the Synod of the Southwest; and, the General Assembly Mission Council, serving as vice-chair of its stewardship committee and at-large member of its executive committee. Currently, Rocha serves as a member of the General Assembly's Restricted Funds Resolution Committee; a member of the General Assembly Mission Council's Mission Responsibility Through Investment Committee; and, a member of the General Assembly's Special Committee on the Administrative Review of the Synod of Boriquen.

Some of Rocha's other past church experience includes: 6 years of service as a member of the board of directors of the Board of Pensions; chair of the Synod's budget & finance committee; moderator of the Presbytery of Santa Fe; and, service as a volunteer at the 208th and 211th thru 219th PCUSA General Assemblies in various capacities including committee assistant, platform business assistant and platform co-manager and since the 216th as the platform manager.

In 2009, Rocha served on the Ghost Ranch Incorporation Study Group, which considered a incorporation proposal from the Ghost Ranch Governing Board for possible submission to the Presbyterian Mission Agency Board.

Linda Scholl

Linda Scholl is an attorney and has over thirty years of experience in banking, particularly in lending. She is presently with Brighton Bank, a community bank in the Memphis, Tennessee area, where her responsibilities include audit, loan review and compliance. She also is responsible for creation and maintenance of bank policies and procedures and training.

Prior to her present position, Scholl was Vice President at banks which evolved into C & S/Sovran Financial Corp. and NationsBank (now Bank of America), where she served in the Office of Regulatory Management as corporate officer of community reinvestment and real estate compliance over a 7 state geographical area. She left banking for 12 years to join a Memphis law firm and practiced transactional law, with an emphasis on banking and real estate transactions.

Scholl is a Ruling Elder at First Presbyterian Church, Memphis, Tennessee. Scholl has also been active in the Mid-South Presbytery, serving as Moderator in 2002, Stated Clerk from 2003-09 and presently on the Board of Trustees.

Scholl has also served on the General Assembly Mission Council (now known as the Presbyterian Mission Agency Board) and the Advisory Committee on Social Witness Policy. She earned a B.A. in History, with distinction, from Rhodes College (formerly Southwestern at Memphis) and a J.D. degree from Cecil B. Humphreys School of Law, University of Memphis.

Presbyterian Mission Agency Board

Executive Committee

November 5, 2013

Scholl currently serves on the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. Board of Directors.

In 2007, Scholl served on the Relief and Development Study Team which evaluated a proposal for separately incorporating Presbyterian Disaster Assistance and other relief and development focused ministries, using the “Criteria and Standards Applied By the General Assembly Council When It Considers Proposals for New Corporations.”

Mary C. “Molly” Baskin

Molly Baskin is a current member of the Presbyterian Mission Agency Board, serving on the Finance Committee, as well as chair of the Audit Committee. Molly is the Managing Director of the Ansley Consulting Group and a member of the Board of Directors of American Capital Ltd. and eLynx, Inc.

Molly has over twenty years of experience in business analysis, banking, and corporate finance. She began her career at Ernst & Whinney, where her clients included financial institutions, high technology companies, and consumer products. She was with The Coca-Cola Company for six years in Corporate Financial Planning and subsequently as Director of Accounting for Coca-Cola Foods. Molly served four years as controller for Chambers Exploration, a privately-held oil and gas exploration and production company.

Molly spent six years with Bank of Montreal as Director in its Special Assets group where she restructured in excess of \$1 billion of debt for bank clients in a broad range of industries, including real estate, energy, industrial products, and consumer products. She then became a Vice President at Bank of Montreal’s subsidiary bank, Harris Trust and Savings Bank, in its mid-market group, responsible for a diversified portfolio. Most recently, she was a partner with Quayle Partners, a consulting firm which works primarily with mid-sized companies to identify and execute appropriate financial strategy.

Molly is a graduate of Wellesley College and the Harvard Business School. She is a member of the Board of Directors of American Capital Strategies, Inc., a Nasdaq-traded buyout and mezzanine fund based in Bethesda, Maryland. She also gives her time to various not-for-profit organizations. Molly serves on the Board of Trustees of McCormick Theological Seminary; the Board of Directors of Casa Central, the largest Hispanic social service agency in the Chicago area; and the Board of Directors of the Harvard Club of Chicago. She serves as Co-president of the Harvard Business School Club of Chicago. In addition, she was the Vice-chair of the Board of Directors of the Presbyterian Investment and Loan Program (PILP). She also chaired PILP’s Loan Policy Committee, which recommends loan policy and procedures for the Program and approves loans to be made, and served on the Personnel and Executive Committees.

Criteria and Standards Applied By the General Assembly Council When it Considers Proposals for New Corporations

Preface

This document sets out the criteria and standards the General Assembly Council (GAC) will apply when it evaluates proposals for new corporations. In general, any proposal for a new corporation must bring a realistic assessment of both the positive and negative consequences of creating the new corporation. This document is comprised of four parts:

- Part I: Guiding Principles (pp. 1-10)
- Part II: Evaluation Criteria (pp. 10-12)
- Part III: Structures and Functions. Three key documents establish and define the proposed corporation: General Assembly Deliverance, Corporate Articles and Corporate Bylaws (pp. 12-18)
- Part IV: Processes for considering corporation proposals (p. 18)

Part I: Guiding Principles

Introduction

The purpose of Part I is to review the history of developing corporations as agents of mission in the life of the Presbyterian Church (U.S.A.) General Assembly (PC(USA)). A brief history is given that also shows some of the rationale for those corporations. The *Organization for Mission* and the *Book of Order* provide useful guidelines and requirements for establishment of corporations. Finally, set out is a summary of basic understandings of the commitments of corporations of the PC(USA).

History

Minutes before the establishment of the Presbyterian Church General Assembly show efforts to pool funds for the purpose of collective mission. The first corporation of the Presbyterian Church (U.S.A.) was formed by action of the General Assembly to manage and solicit funds for pious and charitable uses. (GA minutes 1789-1820 page 102). The fund was granted a charter by the State of Pennsylvania in 1799 and thus began a long PC(USA) history of establishing corporations to enable mission. Some examples of these corporations are The Board of the Church Erection Fund, The Board of Freedmen's Missions, The Trustees of the Presbyterian Board of Publication and Sabbath School Work, The Women's General Missionary Society, Board of National Missions and Presbyterian Life.

In 1971, the General Assembly of the United Presbyterian Church in the United States of America (UPCUSA) adopted the Report of the Special Committee on General Assembly

Agencies (GA minutes 1971 pages 442-506). The report's beginnings are found in the The Confession of 1967:

“Every church order must be open to such reformation as may be required to make it a more effective instrument of the mission of reconciliation”
(Part II, A, 2)

The rationale for the reorganization of the mission agencies as they then existed included such points as:

- A maze of interagency committees
- A lack of an effective coordinating unit
- A multiplicity of programs
- Duplication of programs and supporting services
- A perplexing variety of staff and promotional services
- A growing list of proposed new agencies
- A proliferation of General Assembly special committees and commissions
- Inadequate systems of accountability
- Less than optimum efficiency and economy in use of personnel and funds

The result was a major reorganization in 1972 in the UPCUSA. As a result, the many corporations were made constituent corporations and a single corporation--UPCUSA, A Corporation--was the central operative corporation. This unified the corporate model of the UPCUSA in a major way. The Presbyterian Church in the United States (PCUS) did not have as many corporations but it did undergo a partial corporate restructure that made the General Assembly Mission Board the main operating corporation for the PCUS.

In 1983, the Articles of Agreement for the Reunion of the UPCUSA and the PCUS gave to the new General Assembly Council specific instructions about the development of a mission structure:

5.4

The General Assembly Council shall develop and propose to subsequent General Assemblies a design for the work of the General Assembly which will effectively relate the functions, divisions, agencies, councils, commissions and institutions of the General Assemblies of the reuniting churches not otherwise provided for in these Articles of Agreement, except an agency for pensions which is hereinafter provided for in Article 11. Agencies whose functions will be served by other bodies or in other ways in the reunited church will not be continued.

5.5 The General Assembly Council shall carefully review the continuing mission directions and priorities approved by both General Assemblies prior to reuniting, and prepare means to harmonize the programmatic work of its agencies.

The General Assembly Council shall ensure the continuance of an organized approach in the areas of world mission, evangelism, education, church renewal, church extension and social-economic justice within the context of the unity of Christ's Church throughout the world.

The General Assembly Council shall take particular care to design agencies and to commit major resources, both human and financial, to put into action with other churches and agencies, in this land and other nations, ministries that serve the purpose of the Presbyterian Church (U.S.A.) to confront men and women, structures and principalities, with the claims of Jesus Christ.”

Articles of Agreement (1983, Appendix B to the *Book of Order*)

The results, of the study by the GAC, were three corporations. They are PC (USA), A Corporation, the Board of Pensions and the Foundation. Seventeen corporations from the two previous denominations were continued under PC(USA), A Corporation and the Foundation. The boards of directors of the seventeen constituent corporations were identical to the corporation under which they were placed. Since that time, two additional corporations, Presbyterian Publishing Corporation (PPC) and PCUSA Investment and Loan Program, Inc. (PILP) have been formed. In addition, several companies related to the Foundation have been authorized or formed: New Covenant Trust Company, N.A., New Covenant Funds, and New Covenant Annuity Insurance Company. Related to PILP, the PCUSA Mortgage Corporation was formed.

Principles from the *Organization for Mission*

The *Organization for Mission of the Presbyterian Church (U.S.A.)* is a General Assembly document setting out key mission structures and directives. Some of its provisions are particularly instructive in regards to corporations:

The uniting General Assembly in 1983 directed that consultations be held to discern the church’s understanding of mission before preparing a mission design. “Today Into Tomorrow: A Year of Consultations” was the process followed, and it challenged all parts of the church to examine their understanding of what God required of the church. The result of this process was the “Life and Mission Statement,” which was adopted by the 197th General Assembly (1985).

The year 1992–93 was devoted to the theme: “Discerning the Spirit, Envisioning Our Future.” A convocation on this theme manifested a deep sense of the Spirit’s stirring among us, creating an excitement and passion for the future ministry of the church. One theme was the resounding emphasis on the importance of the ministries of congregations as they are resources for mission. Another was the yearning for churchwide organizational forms that are flexible and innovative, with the ability to let agreed-upon priorities lead our work and so restore confidence in our connectedness. The convocation contributed to a continuing process of discernment and envisioning that reflected a sense of the future mission direction of the denomination.

....
....

The church's mission finds its center in the gospel of Jesus Christ and in witnessing to that gospel. Beneath the variety and complexity of its forms of witness, the church's mission is one—from the congregation to the General Assembly. To share fully in that mission is the task of every Presbyterian and every governing body. As the most inclusive governing body, the General Assembly represents the unity of the synods, presbyteries, sessions, and congregations of the Presbyterian Church (U.S.A.). Among its other responsibilities, the General Assembly has the power to set policies, objectives, and priorities for mission, to provide the agencies appropriate for that mission, and to superintend their work (*Book of Order*, G-13.0103).

According to the *Book of Order* (G-13.0201), the General Assembly Council, as agent of the General Assembly, implements policies established by the General Assembly; coordinates the work of the divisions and other General Assembly agencies in light of General Assembly mission directions, goals, objectives, and priorities; works in partnership with synods and presbyteries; and develops and proposes a comprehensive budget to the General Assembly. Members of the council are elected by the General Assembly and are representative of synods, presbyteries, and the church at large.

The General Assembly, the General Assembly Council, the synods, the presbyteries, and the sessions work together in partnership on behalf of the mission of the church. The *Organization for Mission* places emphasis on the congregation as an instrument of mission and on the governing bodies working together to provide resources and services to the congregations.

A. *The Unity of the Church*

The unity of the church, with Christ as the Head of the body, is a fundamental principle that affirms the church is called to demonstrate unity, both within a given denomination as well as ecumenically and internationally. Perhaps the strongest image of this unity is the apostolic vision of the body of Christ, in which the many members, though different, work together for mutual health and up building. Recognition of the unity of the whole church carries with it a series of implications for the internal structure of the Presbyterian Church (U.S.A.) and for the denomination's ecumenical commitment.

....

While the Presbyterian Church (U.S.A.) is called to be the church in and of itself, there is an important sense in which this denomination recognizes that it is one part of the church of Christ. The Presbyterian Church (U.S.A.) undertakes its ministry with a full awareness of the global and ecumenical dimensions of Christ's call, and provides a means to share mutual mission, decision making, and resources with partner churches in this nation and around the world.

B. *Commitment to Mission*

The church, as the body of Christ, exists to share the love of Christ with the world. The *Book of Order* states the great ends of the church in terms of the call to mission through proclamation, nurture, worship, preservation of truth, promotion of social righteousness, and exhibition of the Kingdom of Heaven to the world (*Book of Order*, G-1.0200). The vitality of the life and mission of the congregation is central to the calling of the church as a whole.

As has been noted, the Presbyterian Church (U.S.A.) is called to be the church, yet is itself a member of the worldwide body of Christ. Each congregation, too, is called to be the church of Jesus Christ in its own time and place. Furthermore, the responsibilities of the session include: “to lead the congregation in participation in the mission of the whole church in the world, in accordance with G-3.0000” (*Book of Order*, G-10.0102b).

C. *Diversity and Inclusiveness*

Within the denomination, the Presbyterian Church (U.S.A.) has affirmed the strength of a unity characterized by mutual interdependence in which diversity contributes to wholeness. Various members of this body enrich the whole through the particular qualities they bring

- As racial ethnic people of multicultural constituencies that make visible our rich diversity and offer varied histories and traditions;
- as persons with a variety of physical and mental abilities and disabilities;
- from diverse geographical areas and socioeconomic backgrounds;
- as male and female of all ages;
- with a variety of theological perspectives within our Reformed tradition;
- with many differing gifts;
- with a long history and tradition within the Reformed family of churches.

Patterns are established to ensure that elected bodies represent the wealth of diverse gifts found in the church and to provide a means to share power and decision-making. Similarly, churchwide personnel procedures promote equal employment opportunity.

D. *Tradition and Flexibility*

The Presbyterian Church (U.S.A.) professes a Reformed theology that is solidly grounded in Scripture as the rule of faith and practice. The *Book of Order* affirms: “The Protestant watchwords—grace alone, faith alone, Scripture alone—embody principles of understanding which continue to guide and motivate the people of God in the life of faith” (*Book of Order*, G-2.0400). The church has also

inherited and continues to affirm a Reformed polity that is representative in nature.

Openness to renewal by God entails a flexibility of structure and openness to growth and change. The Presbyterian Church (U.S.A.) recognizes the need for growth and is open to it under the power of the Holy Spirit.

The Reformed tradition's awareness of the fallen nature of humanity and human institutions has led to the development of church government made up of a system of checks and balances. In recent years, these checks have included limited terms and rotation for elected officers, and plans to ensure fair representation of the diverse elements of the church on governing bodies.

The Presbyterian Church (U.S.A.) shares with all Reformed churches a belief in the priesthood of all believers. For this reason, persons called to leadership positions in the denomination are envisioned by this organizational plan as enabling the whole church to do the work of mission.

E. *Partnership*

The Presbyterian Church (U.S.A.) seeks to develop a system of relationships among governing bodies functioning through collaboration rather than competition. Partnership is characterized by enduring commitment, equality, humility, openness, sensitivity, flexibility, and love. More than an end to be attained, partnership is a process or journey that can be undertaken only under the guidance of the Holy Spirit. Consultation is highly valued as part of the process of decision-making.

Each governing body is a primary agent in mission and has two foci:

- its appropriate role in assisting congregations and other governing bodies in the mission of the whole church; and
- the performance of its own mission as a governing body in consultation with other governing bodies.

F. *Personnel and Compensation*

The General Assembly has approved a personnel, equal employment opportunity and affirmative action, and compensation system that is used by the council and the Ministries Divisions. This system provides guidance for the Worldwide Ministries Division regarding overseas personnel, and for General Assembly level entities, synods, presbyteries, sessions, congregations, and church-related institutions in their employment practices. In order to develop consistency and equity across the whole church, these governing bodies and institutions are urged to approve and implement these policies with such adaptations as may be necessary.

G. *Additional Factors*

Additional factors to guide the structure and style of mission are:

- the need to affirm the centrality of the mission of congregations, and their need and desire for resources from General Assembly entities, as well as from presbyteries and synods;
- the need to recognize demographic realities that bear on the life of the Presbyterian Church (U.S.A.);
- the need to be responsive to persons who identify themselves as Presbyterian without actually taking part in a particular congregation's life and ministry;
- the need for styles that support and enable the momentum of movements rather than styles that create or lead to institutional inertia;
- the need to reverse the trend toward reducing the church's function and style to that of a regulatory agency, creating instead a more responsive, less bureaucratic reality;
- the need to be more simple yet holistic;
- the need to build hope and trust within a now reunited denomination, while maintaining commitments to and safeguards for those historically ignored, excluded, or silenced; and
- the need for an evolutionary design that can be responsive to unfolding changes in the structure and work of the General Assembly, synods and presbyteries.

Organization for Mission (1994 GA Minutes pp. 253-256)

Additional Principles and Considerations

- A. If a primary reason for a ministry's request for a separate corporation pertains to challenges within the GAC operations that affect others within the existing corporation (e.g., inefficiencies, lack of flexibility, lack of capacity), preference should be given to addressing those challenges first before consideration is given to developing a separate corporation.
- B. The *Book of Order* establishes that corporations are created by the governing bodies:
- Incorporation and Trustees
- Whenever permitted by civil law, each presbytery, synod, and the General Assembly shall cause a corporation to be formed and maintained. The council of the governing body shall constitute the Board of Trustees of the corporation unless the governing body shall determine an alternative method to constitute the Board of Trustees. (*Book of Order* G-8.0202)
- C. In 1990, the General Assembly gave its opinion about the particular churches forming more than one civil corporation. This opinion is instructive to all

governing bodies. The GA adopted the recommendation of its Advisory Committee on the Constitution:

21.168

....

There is no restriction in civil law on a group, e.g. church members, presbytery members, synod commissioners, forming more than one corporation, each having the same members or "shareholders." The question in the request is addressed to whether the *Book of Order* denies such dual organizations. The query has two concerns: (a) may such other corporation be formed, and (b) even if formed, where is the authority to control such second corporation.

21.169

G-8.0202 mandates that "a" corporation shall be formed and maintained by governing bodies of the church whenever permitted by civil law. G-7.0401 mandates that "a" corporation be formed and maintained by churches whenever permitted by civil law. These constitutional provisions do not contemplate numerous corporations, but neither do they prohibit them. The forming of a second (additional) corporation by a church does not appear to be of itself an unconstitutional act.

21.170

The *Book of Order* is very specific, however, in confining all powers of any corporation to the control of the ecclesiastical body. In effect, a second corporation must be a duplicate, in most all respects, of the primary corporation. Thus, while the second corporation may have a different title and trustees that are different from the primary corporation, the restrictions of activities of such corporation must be the same as those of the primary corporation. The primary corporation might as well merely designate committees to operate stated programs, i.e. foundations, rather than establishing a separate legal entity for such purpose.

21.171

A difficulty inherent in the corporate form of organization, even though session authority is carefully preserved in the corporate documents, is the trustees' fiduciary responsibility, which may influence actions contra to session directives. Problems which have arisen in governing bodies with more than one separate legal entity include the correlation of the various entities in their activities and in establishing lines of authority between the multiple corporations and the ecclesiastical body.

21.172

It is the opinion of the advisory committee that a particular church establishing a second corporation must very carefully define every power and integrate such powers securely in the session. The second corporation must in every way be identical in session authority as is the primary corporation. In view of the difficulty in establishing and maintaining a second corporation in full accord with church law and civil liability, to which the church and participants in the second corporate activity may be exposed by reason of either not conforming to constitutional requirements of control in the organization, or the independent acts of the trustees via civil law, a particular church is well advised to avoid such a second corporation.

(1990 GA Minutes p. 243)

D. The General Assembly The General Assembly has the responsibility and power “to establish and superintend the agencies and task forces necessary for its work, including a General Assembly Council, providing for the regular review of the functional relationship between the General Assembly's structure and its mission;” (*Book of Order* G-13.0103h.)

- ❑ Only the General Assembly can establish a new national corporation.
- ❑ The General Assembly cannot establish a corporation it cannot supervise.

Conclusions

The principles outlined in the *Organization for Mission* and the citations from the *Book of Order* serve as basic guidelines for any corporation serving the mission interest of the Presbyterian Church (U.S.A.) General Assembly. Since their adoption, the General Assembly has been able to review its corporate mission structure, change to meet evolving needs and establish new corporations as needed. Any proposed changes in the mission structure of the PC (USA) should carefully be considered in light of:

1. The lessons of history of ministry and corporations in the PC(USA).
2. The requirements of the *Book of Order*.
3. A clear definition of the mission, the programs and the powers of the proposed corporation and existing corporations.
4. The commitment to ministry as partners between agencies and between governing bodies.
5. The commitment to diversity and inclusion in the mission and work of all corporations of the church.
6. The commitment to a just personnel and compensation policy by all corporations of the church.
7. If a primary reason for a separate corporation pertains to challenges within the GAC operations that affect others within the existing corporation (e.g., inefficiencies, lack of flexibility, lack of capacity), preference should be given to

addressing those challenges within existing structures before consideration is given to developing a separate corporation.

8. The independence of the new corporation should be in proportion to the need for independence in decision making by the new corporation.
9. The PC(USA) commitment: “to a new openness to the possibilities and perils of its institutional forms in order to insure the faithfulness and usefulness of these forms to God's activity in the world; (*Book of Order* G-3.0401c).

Part II: Evaluation Criteria

All corporation proposals will be subject to a two-step evaluation of the criteria below. As a first step, the proposal must meet the justification criteria (Sections A, B, and C). If responses to those questions are deemed appropriate, the proposal then proceeds to the second step, the viability criteria (Section D). In order to be approved, a proposal must respond satisfactorily to all criteria (Sections A-D).

Justification Criteria:

The proposal must make showings on the following points to justify the creation of a new corporation:

- A. Concerning the necessity of separate incorporation**
 1. What is the intended mission of the proposed corporation?
 2. How is separate incorporation required to accomplish that mission, or how necessary to accomplish it better?
 3. Are there ways to achieve this goal without separate incorporation? (The burden is on the proposal to show that, having explored the question, it finds that there are not; the evaluating agency should also explore the question independently.)
 4. If challenges within current GAC/PCUSA, A Corporation operations (e.g., inefficiencies, inflexibility, lack of capacity) are a primary reason to form the new corporation, show why those challenges cannot be remedied within the current operations.
 5. What specific advantages and disadvantages of incorporation do you foresee?

- B. Concerning the impact on the remaining church structure as an institution**
 1. To what extent will the proposed corporation rely on its image and connections as a Presbyterian entity to attract support?
 2. Will the proposed corporation draw support away from other Presbyterian ministries and causes remaining within the GAC structure?
 3. Will the proposed corporation draw support away from other General Assembly agencies or entities?

4. How would the larger voice of the new corporation alter the relationship and voice of other (perhaps smaller and less popular or visible) parts of the GAC's mission?
 5. How will the mission of those GAC ministries related to the new corporation's ministry but not included in the new corporation continue, and what impact will the new corporation have on their funding streams?
 6. To what extent would the proposed corporation be independent of the GAC's overall coordination of communications, funds development, program implementation, and mission strategy?
- C. Concerning the impact on the church's integrity as a faithful, prophetic, and theologically sound part of the Body of Christ.**
1. How would the proposed corporation affect the theological and missiological understandings of how the church engages in these aspects of its mission?
 2. Would the proposed corporation in any way enhance the church's prophetic witness?
 3. Would the proposed corporation in any way threaten the church's prophetic witness or supplant it for either party with the logic of the marketplace?
 4. What impact would the proposed corporation have on partnership at all levels, including with other GA agencies, with middle governing bodies, with ecumenical partnerships, and with international partner churches?

Viability Criteria:

- D. Concerning the viability of the proposed new corporation**
1. What are the clearly defined objectives of the corporation?
 2. Will it require continued support from the denomination? Of what kind(s) and for how long?
 3. What are the corporation's short- and long-term funds development plans?
 4. What place would the corporation realistically expect to take among the other organizations in the field it has chosen?
 5. How would the experience of others in that field inform the plans of the proposed corporation?
 6. What are the implications of the proposed corporation for property ownership?
 7. What is the business plan for accomplishing those objectives? A business plan including at least the following elements must be submitted:
 - Mission statement
 - Start-up capital: amount needed, expected sources, and who will own the capital?
 - Staffing and support structure (including to what degree, if any, this would draw on GAC resources)
 - Diversity and inclusivity policies and plans
 - A projected five-year balance sheet

- Details of the proposed fiduciary relationship between the new corporation and the GAC and/or the PC(USA)
- Identify anticipated funding sources. Identify where these funding sources overlap with the donor bases of the GAC or other GA agencies. If overlaps do exist, describe the anticipated effects on the proposed corporation and other GA agencies, including the GAC.
- What, if any, additional governmental regulations will apply?
- What kinds and amounts of insurance coverages will be necessary? Will this insurance be adequate to protect the corporation and the General Assembly?
- Is the business cost clearly defined?

E. Considerations for the GAC and other bodies (e.g., GAC subcommittee) evaluating the proposal for the new corporation.

1. The evaluating body should carefully and independently evaluate all of the above criteria (Sections A-D).
2. The evaluating body should consider the experiences of at least two similar corporations in other denominations. This consideration should include the impact on both the new corporation and the related work left within the denominational structures.
3. The evaluating body should consider both the positive and negative consequences of past incorporations at the GA level.
4. Does the proposal seem driven more by mission priorities or by a desire for more funding?

Part III: Structures and Functions.

Three key documents establish and define the proposed corporation: General Assembly Deliverance, Corporate Articles and Corporate Bylaws

If the analyses of Parts I and II have led to the conclusion a new corporation should be formed, then Part III sets out the decisions that must be made to establish the structures and functions of the proposed corporation. Three key documents are the General Assembly Deliverance, the Corporate Articles, and the Corporate Bylaws. Proponents of a new corporation should produce and submit full and complete draft documents so the GAC has before it the specifics of the proposed corporation.

The General Assembly Deliverance is the ecclesial action of the General Assembly (GA) whereby it creates a corporation.* The Corporate Articles are the civil law document filed with the state. In our General Assembly practice, there is a good deal of overlap between the Deliverance and the Corporate Articles. The Corporate Bylaws set out more detail about the operations of the corporation.

A. What are the functions of the proposed corporation?

1. The functions are set out in both the Deliverance and the Corporate Articles.
2. The functions set out with specificity what the proposed corporation will do. This allows all to understand what the limited functions of the corporation will be. The 1990 General Assembly approved an opinion by its Advisory Committee on the Constitution (ACC) that stated when a second corporation is formed, the governing body “must very carefully define every power ...” (1990 GA Minutes p. 243) This is wise and necessary for two reasons. First, it should ensure the corporation does not engage in work the GA did not intend it to perform. Second, it makes it much less likely for GA-level corporations to impose upon one another’s functions and create disputes between them. Unlike standard nonprofit corporations, a GA corporation should not have as one of its functions “all other business as permitted by state or federal law.” Such an open-ended function does not adequately reflect the necessary GA control and it sets the stage for conflict with sister GA corporations or agencies.
3. The functions provision should include the standard opening language that notes the corporation is subject to the Form of Government, lawful directions of the GA, in some cases the directions of the GAC, and of any officer or agency duly authorized.

B. The board of directors: How is it nominated and elected? What is the size of the board? What are the terms? Will the board of directors have seats for elected members or officers from other GA agencies (e.g., GAC officers, elected members, others)?

1. The provisions defining the board of directors are set out in the Deliverance. These provisions may appear in the Corporate Bylaws as well.
2. The method of board nomination and election is established. The standard mechanism is for the General Assembly Nominating Committee (GANC) to nominate board members and the GA elects. This standard should be used unless compelling reasons are demonstrated to use another model. One alternative is the PILP model. The PILP board is elected by the GAC, subject to confirmation by the GA.
3. If the GA does not specify a particular method to constitute the board of directors, then the GAC serves as the board of directors. (*Book of Order* G-8.0202)
4. The number of directors is established. In 2007, the number of voting directors of the major GA corporate boards is as follows: Pensions: 31, PCUSA, A Corp.: 48, Foundation: 21, PPC: 9, and PILP: 15.
5. Whether or not the board will include elected members or officers from other GA agencies is set out. For example, the Foundation board includes both the Stated Clerk and the GAC Executive Director as board members. PPC includes the Stated Clerk and the GAC Executive Director as

nonvoting members. PILP has board members who are GAC members and board members nominated by the Foundation.

6. The terms of board members are established. The standard term for GA agencies and corporations is now a four-year term. A director is limited to two terms, full or partial.

C. Subordination to the authority of the General Assembly and, in some cases, the General Assembly Council.

1. The subordination language is set out in both the Deliverance and the Corporate Articles.
2. The subordination language ensures that the corporation created by the GA follows the GA's directives. This language varies only slightly among the various GA corporations with Deliverances:

The management and disposition of the affairs and property of the Corporation shall be vested in directors, who shall be selected from time to time in such number and manner and for such terms as the General Assembly of the Presbyterian Church (U.S.A.) (the "General Assembly") may determine. Any or all such directors may be removed or the number of such directors may be increased or decreased at any time by the General Assembly or by any officer or agency thereof duly authorized, and successor or additional directors shall be selected in the manner determined by the General Assembly. All the business and affairs of the said corporation shall be conducted by the directors under and subject to the direction of the General Assembly or any agency thereof thereunto duly authorized, so far as such direction shall be lawful and in accordance with the *Constitution of the Presbyterian Church (U.S.A.)* and the laws of the Commonwealth of Pennsylvania and of the United States of America. No material change shall be made in these articles of incorporation without the prior approval of the General Assembly.

3. In PILP's documents, the GAC is also listed as being able to direct the corporation's business and affairs, if necessary.

D. Establishment of the corporation

1. These provisions often appear in both the Deliverance and the Corporate Articles.
2. The GA establishes the corporation by approving both the Deliverance and the Corporate Articles.
3. The exact name of the corporation is set out. It is wise to check if the proposed name (or a very similar name) has already been used or reserved by another corporation.
4. The state of incorporation is set out. Pennsylvania is the state of choice for GA corporations. Pennsylvania non-profit corporation law has some

advantages that work well within our interconnected ecclesial and corporate system.

5. The date the corporation will be established is set out.
6. The registered address of the corporation in the state of incorporation is set out.
7. The corporation will exist perpetually under state law.
8. The IRS provision that the corporation will not engage in political activity should be included in the Corporate Articles.
9. Also set out is whether the corporation is a non-membership corporation (e.g., PCUSA, A Corp. and PPC) or if it is a membership corporation. In the two membership corporations (Foundation and PILP), PCUSA, A Corp. is the sole member and is a nonvoting member. This status gives PCUSA, A Corp. standing in Pennsylvania courts regarding certain corporate matters. GA corporations have not been and should not be formed as membership corporations with a group of voting members.
10. Upon dissolution of the corporation, the GA will determine the disposition of its assets. This provision should be in the Deliverance and the Corporate Articles.

E. Connections to the GAC. Is it desired for the proposed corporation to be under some degree of influence by the GAC? If not, then the following points need not be addressed. If so, then the following points are examples of how the GAC can exercise some degree of influence. These examples are listed in order from least influence to most.

1. The following provisions would appear in the Deliverance and might appear in the Corporate Articles and/or Bylaws.
2. Provide that the president of the corporation (and other officers if desired) will maintain an effective and cooperative relationship with certain officers or offices of the GAC (e.g., PILP). A stronger version would be if the president of the corporation in some manner reports to a GAC officer.
3. Name the GAC Executive Director (or designee) as a nonvoting board member (e.g., PPC). This can be increased if this position is a voting board member (e.g., Foundation).
4. Provide that a substantial number of board members will be from the GAC elected body (e.g., PILP). This option seems unlikely in the current (2007) context where the GAC has decided to reduce the number of GAC elected members serving on boards other than the GAC itself. Another option is to have the GAC nominate a substantial number of individuals as board members but not require those nominees to be elected GAC members.
5. The president of the corporation is identical to a GAC officer. For example, the president of the corporation could be designated as the GAC Executive Director, the Deputy Executive Director for Program, or another GAC staff position.
6. The board of directors for the corporation is identical to the GAC or a subpart of the GAC.

- F. Other provisions. These provisions must also be addressed. Some are mandatory; others are optional.**
1. Most of the following provisions would appear in the Deliverance and might appear in the Corporate Articles and/or Bylaws.
 2. Amendments. Amendments to the Deliverance and the Corporate Articles cannot be made without the prior approval of the GA. This provision is mandatory. In regards to the Bylaws, now that the GA meets biennially, the best course is to provide that Bylaw amendments cannot be made without the prior approval of the GAC. If necessary, changes to certain seminal provisions in the Bylaws could be reserved solely for approval by the GA. This provision is advisable.
 3. When the corporation is proposed to the GA, both the Deliverance and the Corporate Articles are submitted to the GA for its approval. This practice is mandatory. Generally, the Bylaws need not be submitted to the GA. If there are particularly important provisions in the Bylaws, it would be wise to submit those to the GA for its review.
 4. Bylaws. The Deliverance should affirmatively state that the Corporate Bylaws must be consistent with the PCUSA Form of Government and with the directions of the GA.
 5. GA corporations must report to the GA. This is mandatory. In some instances, the GAC has involvement in the reports to the GA. For example, the Foundation must provide its report to the GAC in time for the GAC to submit its comments on that report to the same GA. PILP reports to the GA through the GAC.
 6. The corporation shall be subject to the Standards of Review for General Assembly agencies. This is mandatory.
 7. Cooperation with other parts of the church. The corporation shall evidence appropriate cooperation with other parts of the church. Within the U.S., this cooperation will include but is not limited to other GA agencies, synods, presbyteries, sessions, congregations, and ecumenical bodies. Outside of the U.S., this cooperation will include but is not limited to the GAC, the World Mission Program Area, partner churches as identified by the World Mission Program Area, and ecumenical bodies.
 8. Insurance. The corporation shall obtain adequate amounts of insurance. This is mandatory. Insurance coverage will include but is not limited to Director's and Officer's coverage, general liability, property, and worker's compensation. The types and amounts of coverage will be based upon the corporation's operations. The corporation shall name the General Assembly as an additional insured on all policies. Where the GAC has a significant involvement with the corporation, both the GAC and Presbyterian Church (U.S.A.), A Corporation will be named as additional insureds as well.
 9. Property. What real property and personal property (including intellectual property), if any, will be transferred to the corporation? Is the corporation

- prohibited from holding any type of property? Will any express limitations (e.g., reverter deeds) be placed on the property?
10. Use of the PCUSA Seal. Will this corporation be permitted the use of the PCUSA seal in its work? Will any limitations be placed upon this use?
 11. Offices at the Presbyterian Center. The corporation shall maintain its main offices at the Presbyterian Center in Louisville, Kentucky unless compelling reasons are demonstrated to use another location.
 12. Finances. It should be clearly set out whether or not the corporation will have access to unified mission funds, per capita funds, special offering funds, and existing endowment funds. If so, what limitations might the GAC consider on those funds (which funds, time periods)?
 13. Start-up costs. Will the GAC or any other GA agency supply start-up funds to the corporation? If so, how much and what time period?
 14. Investments. As to its ongoing finances, will the corporation be required to use the services of the Foundation and PILP as its sole options for longterm investments? Or, does it have the authority to place its investments as it sees fit? What about short term investments? Will future endowments created to fund the corporation be held and administered by the Foundation?
 15. Board of Pensions. Employees of the corporation shall participate in the pension and health benefits plans provided by the Board of Pensions of the PCUSA unless compelling reasons are demonstrated to allow the corporation to consider the use of other plans.
 16. Services from other GA agencies and corporations. In order to avoid the duplication of services, the corporation will, where possible, contract with existing PCUSA agencies and corporations for various services. These services include but are not limited to—investments, asset management, record keeping, finance, accounting, personnel, insurance, and legal services. After careful consideration, the corporation may decide to secure such services from parties outside the PCUSA. If the services are provided by a GA agency or corporation, that entity shall ensure it is charging a realistic amount for its services.
 17. It is possible the operations of the corporation may conflict with the mission work of GAC offices. If such a conflict arises between meetings of the GA and such conflict is presented to the GAC, the GAC is empowered, with binding effect, to resolve such conflicts by directing which entity shall and shall not perform the particular mission work. Any such determination by the GAC is subject to review and change by the next meeting of the GA.
 18. G-9.0703. In pertinent part, this provision requires GA agencies (corporations) to submit the names of their executives to the GAC for a concurrence vote. The 2006 GA voted to remove this part from G-9.0703 and that proposal is now (early 2007) under consideration by the presbyteries. If this change is made, then the GAC no longer will make such concurrence decisions. If this change is not made, then this provision should appear in the Deliverance, noting the GAC concurrence

requirement. Regardless of this change, the GA votes whether or not to confirm the executives of GA agencies.

19. Will the corporation develop its own various policies or will it be directed to follow some GAC policies? (e.g., PILP is directed to follow the GA's Churchwide Compensation Policies and Personnel Policies).
20. Integrated Auxiliary. This is an IRS term that shows a level of connection between the corporation and the church body. All GA corporations should be affirmatively declared as "an integrated auxiliary and part of the Presbyterian Church (U.S.A.)" unless very compelling reasons not to do so are demonstrated.

Part IV: Processes for considering corporation proposals

- A. Because a General Assembly action is necessary to form a corporation at the General Assembly level, the timing for the GAC to consider proposals can be challenging. Ideally, the GAC should be able to consider a proposal at least twice before a vote is necessary to forward (or not) a proposal to the General Assembly.
- B. Proposals can come to the GAC through a variety of sources (e.g., Committees of the GAC; GAC members; advisory committees; mission work areas; other agencies or corporations; middle governing bodies).
- C. Proponents should use this Criteria and Standards document in making their proposals for new corporations.
- D. In most instances, the GAC should authorize a subcommittee to consider the proposal. This allows a smaller group representative of the GAC to pursue the substantial work required in evaluating a proposal. At least a majority of this subcommittee should be comprised of GAC elected members. It may be appropriate in some instances to appoint non-GAC members because of particular expertise or the like.
- E. Both the proposal and evaluation processes are in depth and time-consuming. Proponents should allow enough time to perform their necessary work and enough time subsequent for the GAC to perform its evaluation work. For its evaluation work, the GAC should set timelines to ensure it has adequate time to fully consider the proposal and vote upon it before the deadline for sending items to the General Assembly.

*Deliverances for most GA corporations and companies are set out as appendices to the *Organization for Mission*. To see detailed documents, the General Assembly minutes should be reviewed:

- Presbyterian Church (U.S.A.), A Corporation: Deliverance: 1986 GA Minutes pp. 400-405; 1987 GA Minutes 214-215; 1994 GA Minutes 266. Corporate Articles and Bylaws: 1986 GA Minutes 341-350.
- Presbyterian Church (U.S.A.) Foundation: Deliverance: 1986 GA Minutes pp. 400-405; 1987 GA Minutes 214-215; 2002 GA Minutes 749-750. Corporate Articles and Bylaws: 1986 GA Minutes 361; 1999 GA Minutes 491-492.
- Presbyterian Publishing Corporation: Deliverance: 1994 GA Minutes pp. 266-267.
- Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. Deliverance: 1995 GA Minutes pp. 364-366. Corporate Articles: 1995 GA Minutes p. 367.
- New Covenant Trust Company, N.A. Deliverance: 1999 GA Minutes pp. 492-494; 2000 GA Minutes p. 339. Articles of Association: 1999 GA Minutes 497-500.
- New Covenant Annuity Insurance Company: Deliverance: 1999 GA Minutes pp. 500-502. Corporate Articles: 1999 GA Minutes 503-504.
- New Covenant Funds: Deliverance: 1999 GA Minutes p. 505. Trust Investment: 1999 GA Minutes pp. 506-518.
- Presbyterian Church (U.S.A.) Mortgage Corporation: Deliverance: 2001 GA Minutes pp. 173-175. Corporate Articles: 2001 GA Minutes pp. 175-178.

Biographies of Evaluation Committee Members

Mary C. (Molly) Baskin

Molly Baskin has been Managing Director of the Ansley Consulting Group, a retained executive search firm, since 1999. Her previous professional experience is financial: commercial and work-out banking, corporate controller, and auditor. She is a graduate of Wellesley College and the Harvard Business School. She serves on the Board of Directors of American Capital, LLC (NASDAQ: ACAS), a specialty finance firm; of eLynx, a privately-held software company serving the residential mortgage industry; and of Confluence Watersports, a privately held firm that is the world's leading kayak and canoe manufacturer. She serves on the Audit Committee of American Capital and eLynx, chairing the committee for eLynx. She was previously a member of the Board and chaired the Audit Committees of two other privately held businesses: SAV Holdings, a company that rents audio visual equipment to hotels and to special events; and Core Financial Holdings, an asset-based lender.

She is a member of Women Corporate Directors; the Wellesley College Business Leadership Council; the Board of the Harvard Business School Club of Chicago; the Presbyterian Mission Agency Board (for which she chairs the Audit Committee); the Alumnae Board of the Women Students Association at Harvard Business School (for which she is Vice Chair); and the Board of Directors of Spark Ventures, a Chicago-based nonprofit with international partnerships that provide children in poverty with nutrition, education and healthcare.

She previously chaired the Board of the Presbyterian Church (U.S.A.) Investment and Loan Program (a \$100MM corporation lending money to Presbyterian churches for site acquisition, construction, renovation, or refinancing). She is a former Co-President of the Harvard Business School Club of Chicago and Chair of the Board of Casa Central in Chicago. She was a member of the Board of Trustees of McCormick Theological Seminary, the Board of Directors of the PC(USA) Central Treasury Corporation, the Board of Trustees of the Fourth Presbyterian Church of Chicago, the Board of Directors of the Presbyterian Publishing House (PCUS), and the Board of the Alumni Association of the Harvard Business School.

Conrad M. Rocha, Esq.

Conrad M. Rocha is a member of the State Bar of New Mexico and, therefore, a licensed attorney in the State of New Mexico. He received his Bachelor's of Arts Degree in Political Science and Economics (Magna Cum Laude) and his Juris Doctor Degree from the University of New Mexico (UNM). Prior to entering UNM he served 10 years in the U.S. Navy and is a Vietnam Veteran.

Currently, Conrad serves as the stated clerk and executive of the Synod of the Southwest, a position he has held since 2010. He also serves as the Executive Director of Law Access New Mexico, a not-for-profit corporation that provides free civil legal services to New Mexico's poor, a position he has held since 2007. Prior to joining Law Access, Conrad served as Vice-President for Institutional Advancement and Chief Financial Officer of Menaul School, one of the six

historic “racial-ethnic” schools recognized by the Presbyterian Church (U.S.A.). He joined the staff of Menaul School, after having served almost 11 ½ years as the Administrator of First Presbyterian Church of Albuquerque, then the largest PCUSA congregation in New Mexico. He joined the staff of First Presbyterian Church after a six year term in the world of public accounting, employed by the then largest accounting firm in the world as a tax attorney and accountant serving its not-for-profit client corporations. Between his undergraduate work and his post-graduate work he also served for three legislative sessions of the Legislature of the State of New Mexico as the Senate’s official reader and as a payroll clerk.

A 5th generation Presbyterian, Conrad became a confirmed member of Second Presbyterian Church, Albuquerque on May 31, 1964. He was ordained as a Ruling Elder in January, 1994. He has served in various capacities in the Presbytery of Santa Fe, including service as its moderator, chair of its board of trustees, chair of its council, and chair of its finance committee. He has also served in various capacities in the Synod of the Southwest, including service as its moderator and chair of its finance committee.

Some of Conrad’s past church experience includes: 6 years of service as a member of the board of directors of the Board of Pensions; 7 years of service as a member of the General Assembly Council (now Presbyterian Mission Agency); 2 years of service as a member of the board of directors of the Presbyterian Investment & Loan Program; and, as volunteer at the 208th and 211th thru 220th Presbyterian Church (USA) General Assemblies in various capacities including committee assistant, platform business assistant and platform co-manager and manager.

Finally, Conrad has served on a number of other boards and committees, including: 8 years of service on the Board of Directors of the National Hispanic Cultural Foundation (6 years as its finance committee chair, 1 year as its interim executive director and 1 year as its President); 3 years on the Board of the Martineztown House of Neighborly Service (2 years as its finance committee chair and 1 year as its President); and, 1 year as the chair of the audit committee for the City of Albuquerque.

Linda Scholl

Linda Scholl is an attorney and has over thirty years of experience in banking, particularly in lending. She is presently a Vice President with Brighton Bank, a community bank in the Memphis, TN, area where her responsibilities include internal audit, loan review and compliance. She also actively participates in the Tennessee Bankers’ Association programs involving consumer compliance issues with other senior compliance officers statewide. She also is responsible for creation and maintenance of bank policies and procedures and training.

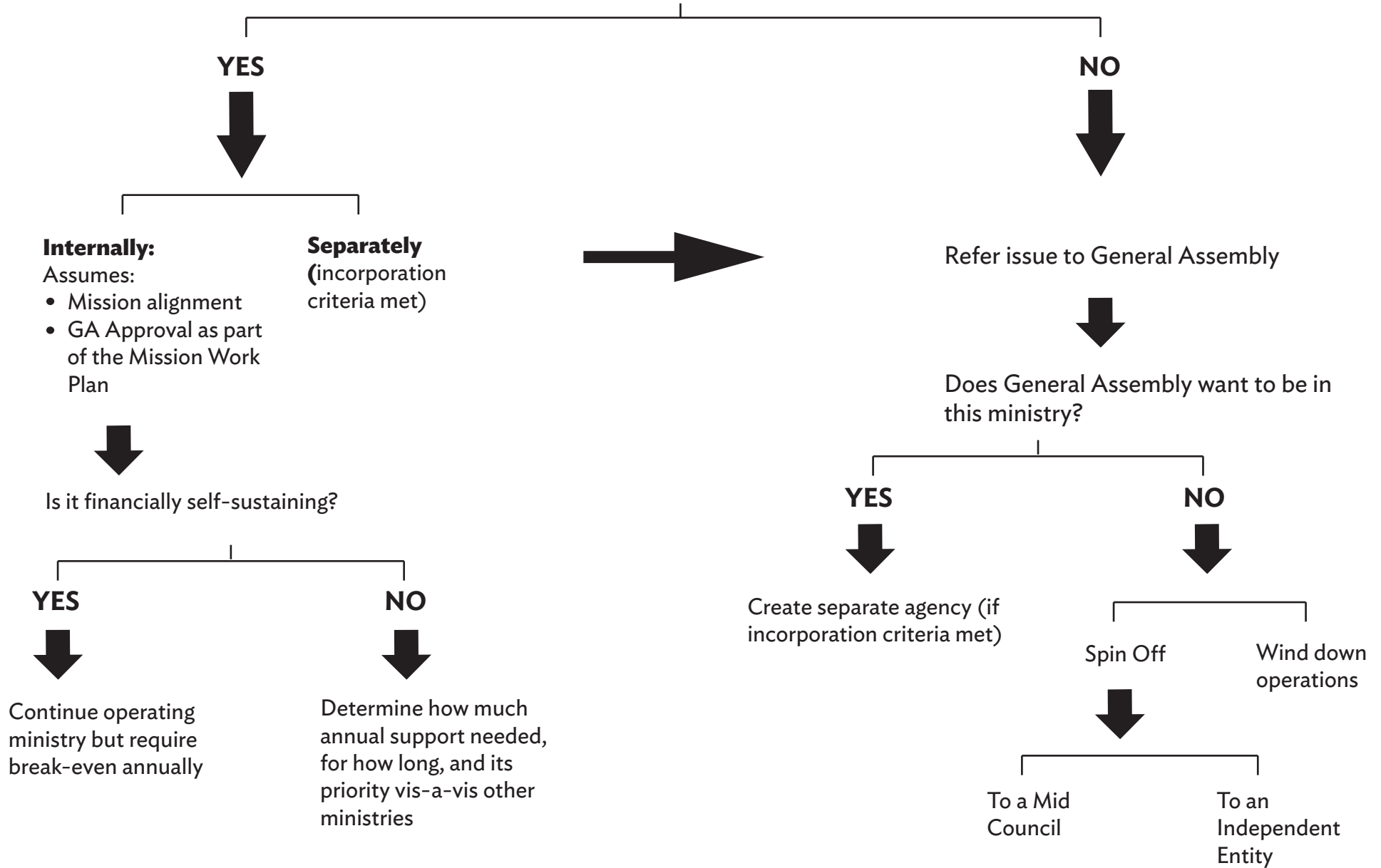
Prior to her present position, Ms. Scholl was Vice President at banks which evolved into C & S/Sovran Financial Corp. and NationsBank (now Bank of America), where she served in the Office of Regulatory Management as corporate officer of community reinvestment and real estate compliance over a seven state geographical area. She left banking for 12 years to join a Memphis law firm and practiced transactional law, with an emphasis on banking and real estate transactions.

Scholl is a Ruling Elder at First Presbyterian Church, TN. Ms. Scholl has also been active in the Mid-South Presbytery, serving as Moderator in 2002, Stated Clerk from 2003 – 2009, the Board of Trustees and on various Presbytery committees. She has also served on the General Assembly Mission Council and the Advisory Committee on Social Witness Policy. In 2007, Scholl served on the Relief and Development Study Team which evaluated a proposal for separately incorporating Presbyterian Disaster Assistance and other relief and development focused ministries, using the “Criteria and Standards Applied by the General Assembly When It Considers Proposals for New Corporations.”

Scholl currently serves on the Presbyterian Church (USA) Investment and Loan Program, Inc. Board of Directors.

Scholl earned a B.A. in History, with distinction, from Rhodes College, (formerly Southwestern at Memphis) and a J.D. degree from Cecil R. Humphreys School of Law, University of Memphis.

Does the Presbyterian Mission Agency want to be in the proposed multi-faith community ministry?



APPROVED: February 15, 2012

**MINUTES OF THE
GENERAL ASSEMBLY MISSION COUNCIL
OF THE
PRESBYTERIAN CHURCH (U.S.A.)
Ninety-third Stated Meeting
Louisville, Kentucky
September 21–23, 2011**

**As Recorded by the Staff of the
Office of the General Assembly
100 Witherspoon Street
Louisville, KY 40202**

INDEX

ACTIONS TAKEN

MINUTES

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General Assembly Mission Council
September 21–23, 2011**

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Advocacy Committee on Women's Concerns

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Appendices

1. GAMC Meeting Agenda
2. Audit Committee Report
3. Consolidated Financial Statements, December 31, 2010
4. Discipleship Committee Report
5. Evangelism Committee Report
6. Justice Committee Report
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9. Executive Committee Report I
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Chair (GAMC) Report

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Audit

- Heard from GAMC staff and PC(USA) representatives regarding Leadership Development activities and activities related to General Assembly Referrals, specifically:
 - 2008 Referral: Item 11-12. On Preventing the Trafficking of Women, Internationally and Nationally;
 - 2010 Referral: Item 11-06. Gun Violence, Gospel Values: Mobilizing in Response to God's Call; and
 - 2010 Referral: Item 14-03 - MRTI Report of Its Engagement with Corporations Involved in Israel, Gaza, East Jerusalem, and the West Bank.

The report of the Justice Committee is found in Appendix 6.

Stewardship Committee Report

Alan Ford presented the report of the committee.

ACTION 11-911 Approve Consent Agenda (Stewardship Committee Report)

The General Assembly Mission Council **VOTED** to approve the following consent agenda items:

- Approve the revised 2012 Mission Program Budget to \$85,266,858 (pages 3-6 of this appendix)
- Ratify and affirm an allocation of \$700,000 (for requests from Information Technology) from the Capital Reserve Fund (pages 7-8 of this appendix)
- Ratify and affirm an emergency allocation of \$26,000 (for request from Building Services) from the Capital Reserve Fund (page 9 of this appendix)
- Approve an allocation of \$205,000 (for requests from Legal Risk Management Services and Building Services) from the Capital Reserve Fund (page 10 of this appendix)
- Approve that the General Assembly Mission Council create a task force as follows: (pages 11-12 of this appendix)
 - a) The task force will be comprised of four members selected by the Chair of the General Assembly Mission Council, two members each from the Stewardship and Evangelism Committees, and will be supported by GAMC staff.
 - b) The task force will study the missional alignment, viability, financial sustainability, and management performance of Stony Point Conference Center.
 - c) The task force will bring to the February 2012 General Assembly Mission Council meeting a report and recommendation concerning all of the elements in subsection (b).

The report of the Stewardship Committee is found in Appendix 7.

Vocation Committee Report

Clark Cowden presented the report of the committee.

**Report E.001
Stewardship Committee
General Assembly Mission Council
September 23, 2011**

The Stewardship Committee reports the activities of the September 21-22, 2011 meeting.

I. FOR CONSENT:

The Stewardship Committee recommends that the General Assembly Mission Council:

1. Approve the revised 2012 Mission Program Budget to \$85,266,858 (pages 3-6 of this appendix)
2. Ratify and affirm an allocation of \$700,000 (for requests from Information Technology) from the Capital Reserve Fund (pages 7-8 of this appendix)
3. Ratify and affirm an emergency allocation of \$26,000 (for request from Building Services) from the Capital Reserve Fund (page 9 of this appendix)
4. Approve an allocation of \$205,000 (for requests from Legal Risk Management Services and Building Services) from the Capital Reserve Fund (page 10 of this appendix)
5. Approve that the General Assembly Mission Council create a task force as follows: (pages 11-12 of this appendix)
 - a. The task force will be comprised of four members selected by the Chair of the General Assembly Mission Council, two members each from the Stewardship and Evangelism Committees, and will be supported by GAMC staff.
 - b. The task force will study the missional alignment, viability, financial sustainability, and management performance of Stony Point Conference Center.
 - c. The task force will bring to the February 2012 General Assembly Mission Council meeting a report and recommendation concerning all of the elements in subsection (b).

II. FOR ACTION:

No Items to report.

III. FOR INFORMATION:

**The Stewardship Committee:
Approved:**

1. The Administrative Notes from the September 2011 Stewardship Committee meeting and the Administrative Notes from the August 24, 2011 Stewardship Committee conference call (E.101)

Received:

1. The Coordinated Loan Program report (238)
2. Ghost Ranch Report (206)
3. Stony Point Center Report (204)
4. The Presbyterian Foundation 2011 Performance Report and Spending Formula for 2013 and 2014 on General Assembly Mission Council Endowments (239)
5. The General Assembly Mission and Program operating reports as of July 31, 2011 (228) and August 31, 2011 (249)
6. The Per Capita operating reports as of July 31, 2011 (229) and August 31, 2011 (250)
7. The Congregational Ministries Publishing - Curriculum Publishing Program Area financials as of July 31, 2011 (230) and August 31, 2011 (251)
8. The Presbyterian Mission Program Fund reports as of July 31, 2011 (231) and August 31, 2011 (252)
9. The Stony Point Center operating reports as of July 31, 2011 (232) and August 31, 2011 (253)
10. The Ghost Ranch operating reports as of July 31, 2011 (236) and August 31, 2011 (254)
11. The Endowments and New Gifts Report for January to June 2011 (233)
12. Banking Update (234)
13. Information Technology Report (235)
14. World Mission Funds Development Report – Year-to-Date June 30, 2011 (241)
15. Annual Report from Special Offerings Advisory Task Force (242)
16. Special Offerings Annual Report from Relationship and Development Operations (243)
17. Special Offerings Management Report (244)

**ITEM E.107
 FOR ACTION**

FOR GAMC EXECUTIVE DIRECTOR'S OFFICE USE ONLY			
A. Evangelism		D. Vocation	G. PC(USA), A Corporation
B. Justice	X	E. Stewardship	H. Executive Committee
C. Discipleship		F. Audit	
P. Plenary			

Subject: Stony Point Conference Center

Recommendation:

The Stewardship Committee of the General Assembly Mission Council recommends that the General Assembly Mission Council approve the following:

RESOLVED: That the General Assembly Mission Council create a task force:

- a. The task force will be comprised of four members selected by the Chair of the General Assembly Mission Council, two members each from the Stewardship and Evangelism Committees, and will be supported by GAMC staff.
- b. The task force will study the missional alignment, viability, financial sustainability, and management performance of Stony Point Conference Center.
- c. The task force will bring to the February 2012 General Assembly Mission Council meeting a report and recommendation concerning all of the elements in subsection (b).

Background:

Because it is the end of a three-year assessment period for Stony Point's operations and because the employment contracts of the Interim Co-Executive Directors have ended and the employment relationship continues month-by-month, the Stewardship Committee believes that this is an appropriate time for a task force to study the operations and future viability of Stony Point. In its Stony Point Center Three Year Update, presented to the Evangelism Committee at the March 2011 GAMC meeting, Stony Point offered three possible scenarios toward its goal of reaching financial sustainability and successful programmatic vision in three to five years:

- 1. Scenario 1: We have dramatically decreased the annual deficit, there are clear, attainable goals in place to finish the process of reaching financial stability in the following two years, and we can see a clear way in which the financial capacity of the Center will be able to meet the demands of more than a million dollars in needed physical plant improvements and upgrades.
- 2. Scenario 2: We have made modest gains financially, and we will need to enter into a period of discernment together with the GAMC over the following two years about whether the work of the Center is important enough to the overall mission of the PC(USA) to justify an annual expense that we are likely to continue to incur. We would expect to enter into that process not as advocates for Stony Point Center,

but as partners with the denomination in trying to make difficult choices about the overall health of our Church.

3. Scenario 3: We have continued to run dramatic deficits of \$200,000 or more each year, with no indication that we have been able to, or will be able to turn the corner financially. In this case, we would expect to work with the GAMC to determine the best course of action, which could include the option of selling the property. From a financial perspective, Stony Point Center has run a deficit of nearly 1.5 million dollars to date, and in this scenario, it could continue to build that deficit by as much as another million dollars over the next five years as we give our plan time to work. We would expect the denomination to recoup all the investment it has made in an eventual sale of the property.

In its work the task force will review these scenarios and use them as suggested guidelines in its work.

PRESBYTERIAN MISSION AGENCY BOARD
ITEM A.104 **September 12-13, 2012**
FOR ACTION **Stony Point Review Task Force**

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
X	A. Finance	E. Corporate Property, Legal, Finance	J. Nominating Committee
	B. Justice	F. PC(USA), A Corporation	K. Governance Committee
	C. Leadership	G. Audit	P. Plenary
	D. Worshipping Communities	H. Executive Committee	

Subject: Stony Point Review Task Force Report and Recommendation

Recommendation:

The Stony Point Review Task Force (“Task Force”) provides the attached report to the Committee in response to the Task Force’s charge for communication to the Presbyterian Mission Agency Board (“Board”), and recommends the Committee approve and recommend the following to the Board for its approval:

1. The Task Force recommends that the Presbyterian Mission Agency Board (PMA Board) affirm and approve a path and process to establish Stony Point Center as a separate legal entity – a corporation related to the Presbyterian Church (U.S.A.) – controlled by the PMA Board and subject to the lawful directions of the General Assembly. This is not the recommendation for incorporation, but rather a recommendation that the PMA Board move toward incorporation as a way forward for Stony Point Center. This new corporate entity would have authority to make strategic decisions about long-term viability, and effectively manage the Center’s program and resources.
2. The Task Force recommends that a Transitional Task Team be appointed to guide this process toward incorporation.
3. That the Transitional Task Team consist of:
 - a. The current Task Force members: Melissa DeRosia, Jack Hodges, Kathy Trott;
 - b. The current liaison from the Board to Stony Point Governing Board;
 - c. The chair of the Stony Point Governing Board;
 - d. Two members appointed by the Stony Point Task Force from recommendations of the Governing Board of Stony Point Center;
 - e. And that Presbyterian Mission Agency (PMA) staff support would be the Transitional Co-Directors of Stony Point Center, the Associate for Camp and Conference Ministries and members of the PMA Legal Department, all with voice but no vote.
4. Upon successful incorporation, the Task Force recommends an orderly transition of services and financial support from the Presbyterian Mission Agency to the Stony Point Center, at the same time preserving and enhancing Stony Point’s missional relationship with the PCUSA and PMA Board.
5. The Task Force recommends that should Stony Point not survive as a separate corporation or not be approved for incorporation, the Presbyterian Church have in place provisions to recoup past cost overruns and outstanding advances. The specific amounts of the overruns and advances are to be determined as of December 31, 2012.

PRESBYTERIAN MISSION AGENCY BOARD
September 12-13, 2012
Stony Point Review Task Force
Item A.104

Background:

On September 22, 2011, the General Assembly Mission Council¹ created the Stony Point Task Force (Task Force):

“Approve that the Presbytery Mission Agency Board create a task force as follows:

- A. The Task Force will be comprised of four members selected by the Chair of the Presbytery Mission Agency Board, two members each from the Stewardship and Evangelism Committees, and will be supported by PMA staff.
- B. The Task Force will study the missional alignment, viability, financial sustainability, and management performance of Stony Point Conference Center.
- C. The Task Force will bring to the February 2012 Presbyterian Mission Agency Board meeting a report and recommendation concerning all of the elements in Subsection B.”²

The Task Force has convened in many face-to-face meetings, conference calls, a meeting with Stony Point Centers 23-member Governing Board (Current Board), and extensive face-to-face interviews with members of the PMA staff including: Joey Bailey (Deputy Executive Director and CFO), Kristine Baker (Risk Manager), Martha Clark (Director of Legal/Risk Management Services Office and General Counsel), April Davenport (Associate General Counsel), Roger Dermody (Deputy Executive Director/Mission), Eric Hoey (Director of Evangelism and Church Growth), Mike Kirk (Associate General Counsel), Sara Lisherness (Director of Compassion, Peace and Justice), Tim Quinn (Assistant Treasurer), Dottie Smith (Director and Treasurer), and Linda Valentine (Executive Director).

The Task Force held face-to-face meetings with staff at Stony Point Center: Rick and Kitty Ufford-Chase (Transitional Co-Directors), Donna Costa (Manger Food Services), Karen Kaufman (Administrative Assistant to the Directors), Linda Pagano (Business Manager and HR), Mary Romano (Manager Reservations), Paula Sandusky (Manager IT and Communications), Geeta Seemungle (Manager Housekeeping), and John Taylor (Manager Conference Services).

The Task Force is very grateful for the cooperation and gracious responses of all parties and particularly lifts up the excellent staff who supported our work.

¹The 220th General Assembly (2012) approved the name change of the General Assembly Mission Council to the Presbyterian Mission Agency Board.

²PMA Board minutes of September 21-23, 2011. At their February 2012 meeting, the PMA Board, at the request of the Task Force, changed the date for this Report and Recommendations to September 2012.

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Stony Point Review Task Force

The Report of the Stony Point Review Task Force^{A.104}
to the Presbyterian Mission Agency Board

September 21st 2012

I. Introduction and Preview

Stony Point Center began as a training ground for mission leaders. Down through the years, parcels of property have been gifted to Stony Point with the purpose of training ecumenical groups of leaders in world cultures so they could go forth and be servants in mission throughout the world. Stony Point was known as a place of international hospitality and served as a home and place of refuge for retired, disabled or furloughed missionaries.

The current emphasis and program of Stony Point continues this tradition and translates it into the present day. Now the focus is on preparing persons for service and exposing them to different cultures and faiths so they may better represent God in the world. Today, with the whole Church, Stony Point Center dreams of how a new generation of leaders will carry out God's mission in a vastly different and more connected world.

On September 22, 2011, the General Assembly Mission Council¹ created the Stony Point Task Force (Task Force) to conduct a full study of the Stony Point Center's operations, program and mission alignment. The Task Force found itself coming to a strong consensus that Stony Point Center has a place in the broader mission of the Presbyterian Church (U.S.A.). While a new form of governance will be necessary, the Center must continue and be strengthened.

The following recommendations are intended to reach the goal of a renewed Stony Point.

1. The Task Force recommends that the Presbyterian Mission Agency Board (PMA Board) affirm and approve a path and process to establish Stony Point Center as a separate legal entity – a corporation related to the Presbyterian Church (U.S.A.) – controlled by the PMA Board and subject to the lawful directions of the General Assembly. This is not the recommendation for incorporation, but rather a recommendation that the PMA Board move toward incorporation as a way forward for Stony Point Center. This new corporate entity would have authority to make strategic decisions about long-term viability, and effectively manage the Center's program and resources.

¹ The 220th General Assembly (2012) changed the name of the General Assembly Mission Council to Presbyterian Mission Agency Board (PMAB). For clarity and consistency, regardless of any prior context we will use the new terminology: Presbyterian Mission Agency Board (PMAB) and Presbyterian Mission Agency Staff.

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2. The Task Force recommends that a Transitional Task Team be appointed to guide this process toward incorporation.
3. Upon successful incorporation, the Task Force recommends an orderly transition of services and financial support from the Presbyterian Mission Agency to the Stony Point Center, at the same time preserving and enhancing Stony Point's missional relationship with the PCUSA and PMA Board.
4. The Task Force recommends that should Stony Point not survive as a separate corporation or not be approved for incorporation, the Presbyterian Church have in place provisions to recoup past cost overruns and outstanding advances. The specific amounts of the overruns and advances are to be determined as of December 31, 2012.

The Task Force is fully cognizant of the bold character of these recommendations. We acknowledge to not being satisfied with a descriptive report on past and current practices. As a result of our study and explorations, the Task Force believes the Spirit has been leading us to be prescriptive with specific, forward-looking recommendations. We believe these recommendations preserve what has been while creating a new order.

This Task Force – and we are grateful for your appointment and the opportunity it has provided – candidly recognizes the difficulties and challenges Stony Point will encounter. Never-the-less, we believe our recommendations provide the opportunity for Stony Point Center to move forward as a mission arm of the PMA Board.

II. Charge from the Presbyterian Mission Agency Board

On September 22, 2011, the General Assembly Mission Council² created the Stony Point Task Force (Task Force):

“Approve that the Presbytery Mission Agency Board create a task force as follows:

- A. The Task Force will be comprised of four members selected by the Chair of the Presbytery Mission Agency Board, two members each from the Stewardship and Evangelism Committees, and will be supported by PMA staff.
- B. The Task Force will study the missional alignment, viability, financial sustainability, and management performance of Stony Point Conference Center.
- C. The Task Force will bring to the February 2012 Presbyterian Mission Agency Board meeting a report and recommendation concerning all of the elements in Subsection B.”³

²Again, we refer you to the new terminology highlighted in footnote #1.

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The PMA Board Chair (Mike Kruse) appointed Clay Antioguia (Evangelism), Jack Hodges (Stewardship), Kathy Trott (Stewardship) and Melissa DeRosia (Evangelism), with Brian Frick as staff support. The Task Force elected Melissa DeRosia as chair.

The Task Force has convened in many face-to-face meetings, conference calls, a meeting with Stony Point Centers 23-member Governing Board (Current Board), and extensive face-to-face interviews with members of the PMA staff including: Joey Bailey (Deputy Executive Director and CFO), Kristine Baker (Risk Manager), Martha Clark (Director of Legal/Risk Management Services Office and General Counsel), April Davenport (Associate General Counsel), Roger Dermody (Deputy Executive Director/Mission), Eric Hoey (Director of Evangelism and Church Growth), Mike Kirk (Associate General Counsel), Sara Lisherness (Director of Compassion, Peace and Justice), Tim Quinn (Assistant Treasurer), Dottie Smith (Director and Treasurer), and Linda Valentine (Executive Director).

The Task Force held face-to-face meetings with staff at Stony Point Center: Rick and Kitty Ufford-Chase (Co-Directors), Donna Costa (Manger Food Services), Karen Kaufman (Administrative Assistant to the Directors), Linda Pagano (Business Manager and HR), Mary Romano (Manager Reservations), Paula Sandusky (Manager IT and Communications), Geeta Seemungle (Manager Housekeeping), and John Taylor (Manager Conference Services).

The Task Force is very grateful for the cooperation and gracious responses of all parties and particularly lifts up the excellent staff supporting our work.

III. Areas of Review

The Task Force was specifically commissioned to review the following areas. The Stony Point Center Governing Board has also created a Business Plan which speaks to the vitality of these areas.⁴ We commend the Business Plan as a necessary part of our report.

A. Missional Alignment

The Stony Point Center Governing Board has repeatedly reaffirmed their commitment to inspire, equip and connect the witness of the Presbyterian Church by focusing on the ways Stony Point Center serves as a prophetic community of worship and prophetic discipleship.

At the March 2011, meeting of the PMA Board, the Governing Board of Stony Point Center presented a report, "Missional and Financial Sustainability Plan - a Way

³PMA Board minutes of September 21-23, 2011. At their February 2012 meeting, the PMA Board, at the request of the Task Force, changed the date for this Report and Recommendations to September 2012.

⁴The Stony Point Center Business Plan is a necessary Part of this Report. The document is attached and made a part of this Report.

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Forward." This report reflects on their rich legacy as a place where the church has gathered to learn ecumenical mission practices, faith-based human rights initiatives, and the radical hospitality of cultural traditions.

The Task Forces notes that the March 2011 Report also responds to the Covenant between the Stony Point Center and the PMA Board, as approved in 2008.

As Stony Point Center builds on the foundations of its history and looks toward the future, they are guided by their Mission Statement:

“Stony Point Center, modeling the love of Jesus, welcomes people of all faiths and nations to discern, discover, learn and lead. Together, bold dreamers experience the movement of God's Spirit to create pathways to peace, nonviolence and justice.”⁵

These words resonate as Stony Point Center responds to God's call to be a place where young adults, faith-based leaders, missional thinkers, partners in peacemaking, leaders and organizers of change in the institutional church come to rest, study, build relationships, develop strategies, and nurture the creative spirit within.

The Stony Point Governing Board has drafted a new “Stony Point Center 2012 Business Plan”. The “2012 Business Plan” reaffirms the commitment of the Story Point Governing Board to honor and further the witness of the Presbyterian Church (USA) in the world.

One way is the manner in which Stony Point Center serves as a community of mission practice. The Center is concerned with health and vibrancy of local congregations and leaders. They have hosted Latino, Korean, Anglo and Ghanaian Presbyterian Church groups:

- “Seeds of God” is the “nested” Korean church meeting at Stony Point Center every Sunday,
- “Farm the Land, Grow the Sprit” a multi-faith young adult intern program, and
- “UNCO” an “un-conference” for church leaders, pastors, families, and seminarians to worship and experience an open space discussion on the church and its future.

The Community of Living Traditions (CLT) is a partnership of Christian, Muslim, Jewish and other religious traditions that have committed together to the study and practice of nonviolence in communal living at Stony Point Center.

⁵ Adopted by Story Point Governing Board in 2008

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CLT is exploring new ground - both exciting and difficult; this covenant is not easy or facile. The vision is for CLT to be a prophetic witness as a model of hospitality, dialogue and partnership, a place where all God's people are welcome. **A.104**

Increasingly, Stony Point Center's identity is intertwined with what it means to nurture multi-faith partnerships in our pluralistic and global society. The PMA Board's focus on "global discipleship with local, national and international components" and "working to reduce distance between the different places of mission" is reflected here.

We find it compelling that the PMA Board, Stony Point Center Governing Board and the Center's Co-Directors share a covenant and commitment to directions and priorities aligned in common mission and values reflecting the commitments of the Presbyterian Church (U.S.A.).

These strategic directions emphasize the vision of being a visible witness to the gospel of Jesus Christ. The collective witness to Christ's transforming work in and through Stony Point Center is profound. By modeling God's love, Christ's transforming work, extending radical hospitality to all, and developing a multi-faith witness in the world we enhance the ministry of leaders, congregations, councils and the denomination.

The missional alignment highlights a unique witness at a national level: we are a community of mission practice in conversation and action. In Stony Point, there is a physical location, supported by the denomination, where leaders can gather to worship and learn with one another how to cross boundaries of peace and justice and be the church God is boldly calling us to be.

B. Viability

In May 2010, when the PMA Board approved reorganization, Linda Valentine said the mission program of the Presbyterian Church (U.S.A.) "reflects healthy change that is adaptive to trends in the church and the world, and that is consistent with projected resources." As the denomination's financial resources continue to decrease, the PMA Board remains committed to focusing on ministries that can only be done at the national level.

Given this new reality, the Stony Point Task Force anticipates the viability of Stony Point Center to be challenged by decreasing resources in the PC(USA). While the mission alignment between Stony Point Center and the PMA Board is strong, continuing to operate Stony Point from offices in Louisville, Kentucky will not enhance the viability of resources we have to offer the world as a witness of Jesus Christ.

The core recommendation of the Task Force is to establish a path *that leads to a separate legal entity* – a corporation related to the Presbyterian Church (U.S.A.) through the PMA Board. This entity will have authority to make strategic decisions

about long-term viability, and effectively manage the program and resources of the Center.

C. Financial Sustainability

With the current economy, the Task Force believes the testing period negotiated in September 2007, and then put into place with a PMA Board/Stony Point Covenant approval in 2008, was not sufficient time to move Stony Point into full sustainability, even with the engagement and excellent leadership of Transitional Co-Directors Rick and Kitty Ufford-Chase. In the last three years, Stony Point Center has evidenced impressive progress toward viability with a steady decrease from a negative cash flow position. The end of 2012 will see Stony Point Center with a balanced income/expense financial page, this in a mere four years. Clearly, we can affirm the viability of Stony Point Center.

The Task Force reviewed financial information on Stony Point for, 2008-2011, a period concurrent with our country's severe financial crisis. While Stony Point felt the impact of the crisis most in 2010 due to a reduction in bookings, its recent financial picture has improved. In 2011, Stony Point's revenues exceeded budget in 2011, and are projected to improve further in 2012. Based upon an increasing number of partnerships developed by the Co-Executive Directors in the last two years, current projections indicate revenues should exceed expenses over the next few years.

In addition, Stony Point has developed a comprehensive plan to engage in fund-raising. Donations will be applied to the physical plant for maintenance and improvement of buildings and infrastructure. We believe the network developed by the Co-Executive Directors and their enthusiasm for the mission work of Stony Point will enhance and improve its financial future.

D. Management Performance

In December 2011, the Executive Committee of the Stony Point Center Governing Board designed a comprehensive review process with evaluations sent to board members, staff and volunteers at the Center as well as a survey group of 40 Stony Point users over the past three years.

In January 2012, Stony Point Board President Cass L. Shaw, reported to Brian Frick, Associate for Camp and Conference Ministries, that the annual performance review of the Stony Point Center Co-Directors, Rick and Kitty Ufford-Chase, was held on January 23, 2012. Their work was rated at a superior level as well as their skills, experience, passion for ministry and their dedication to the shared vision. All of this is critical for the future of Stony Point Center.

IV. Key Recommendations

A. Movement Toward Incorporation

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1. The Task Force recommends PMA Board authorize a process toward the creation of Stony Point as a separate nonprofit corporation and tax-exempt under IRS 501(c)(3). **A.104**
2. The Task Force recommends the process for incorporation take approximately one and one-half years so the required documents and approvals for the full functioning of Stony Point Center as a charitable 501(c)(3) tax-exempt corporation are obtained and submitted for recommendation to the 221st General Assembly (2014).
3. The Task Force recommends the new corporation's governance documents stipulate that, should Stony Point move from this originating charter or be sold, the remaining assets after legal obligations are fulfilled shall be distributed as provided by applicable fund documents, the articles of incorporation and applicable law, including repayment of any outstanding indebtedness to the PMA Board and/or Presbyterian Church (U.S.A.), A Corporation.
4. Based on what the Task Force understands of the complexities regarding the property of Stony Point Center, we also recommend exploring the possibility of a long-term lease for utilization of the new corporation.

B. Transitional Task Team

The following functions are instrumental in supporting the vision of Stony Point Center as separately incorporated:

- fulfilling Guidelines for Incorporation as set forth by the PMA Board and
- ensuring that Stony Point Center is operated in a fully transparent and fiscally responsible fashion.

The role of the Transitional Task Team will be to consult with the Stony Point Center Governing Board, Transitional Co-Directors of Stony Point, and the appropriate staff of the Presbyterian Mission Agency to do the following:

1. Using the PMA Board's "Criteria and Standards Applied by the General Assembly Council (now PMA Board) When it Considers Proposals for New Corporations" approved in March 2007, review this Task Force's recommendation and report to the PMA Board at its Fall 2013 meeting with a recommendation for or against incorporation of Stony Point Center.
2. Monitor and address the benchmarks set forth in Stony Point Center 2012 Business Plan.
3. Negotiate a long-term lease with:
 - COEMAR (Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.)(f/k/a Board of Foreign Missions of the Presbyterian Church in the United States of America);

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- Presbyterian Church (U.S.A.), A Corporation, successor to UPCUSA, A Corp; **A.104**
and
 - Presbyterian Church (U.S.A.) Foundation, successor to UPCUSA, A Corp as trustee.
4. Freeze the accumulated operational debt/losses to an agreed upon amount as of December 31, 2012. Future losses, if any, beyond regular cash flow will be kept separate.
5. The Transitional Task Team would consist of:
- The current Task Force members: Melisa DeRosia, Jack Hodges, Kathy Trott;
 - The current liaison from PMA Board to Stony Point Governing Board;
 - The chair of the Stony Point Governing Board;
 - 2 members appointed by Stony Point Task Force from recommendations of the Governing Board of Stony Point Center;
 - Serving as PMA staff support would be the Transitional Co-Directors of Stony Point, the Associate for Camp and Conference Ministries and members of the Presbyterian Mission Agency Legal Department, all with voice but no vote.

The Transitional Task Team shall report regularly to the Executive Committee of the Presbyterian Mission Agency Board.

V. Benchmarks for The Future

A significant function of the Transitional Task Team is to monitor the progress and outcome of specific benchmarks towards incorporation. These benchmarks insure the new corporation will proceed and be successful.

Benchmarks are outlined below for

- Corporate Governance,
- Finance,
- Administration,
- Marketing,
- Funds Development,
- Programming, and
- Capital Expenditures for Campus Development.

These benchmarks are outlined below and provided with more detail in the “Stony Point Center 2012 Business Plan”.⁶

A. Corporate Governance

⁶Stony Point Center 2012 Business Plan. pages 6-15

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1. The new by-laws are written and approved by the PMAB by February-2014. **A.104**
The new Board of Directors will be elected by the PMA Board for confirmation at the 221st General Assembly (2014).
 2. The Transitional Task Force completes its work at the time the new Board is seated immediately following adjournment of the 221st General Assembly in 2014.
- B. Finance
1. By the end of 2014 - Increase overall occupancy by 1,300 bed nights per year.
 2. By the end of 2017 - Increase overall occupancy by additional 800 bed nights each year (see chart below for related overnight income projections, and marketing section for specific marketing goals).
 3. June, 2014 - Secure short-term cash flow by creating access to loans or loan guarantees of approximately \$500,000 in order to cover expenses and emergencies.
 4. By the end of 2017 - Accumulate \$445,000 in a cash reserve through excess of income over expenses in the operating budget, starting in 2014.
- C. Administration
1. By January 30, 2013 – Purchase and populate a new software system to manage donor development.
 2. By April 1, 2013 – Develop a new risk management program that prepares management of SPC to assume all responsibility for risk management by the time separate incorporation is achieved (target date of August 1, 2014), if approved.
 3. By June 1, 2013 – Develop appropriate HR policies and procedures (including a rationale for staff compensation that will be transparent, consistent and fair) and move intentionally toward managing HR, Payroll, and Employee Benefits independently from the PMA by the time separate incorporation is achieved (target date of August 1, 2014), if approved.
 4. By June 1, 2013 – Develop a written proposal to assure that systems are in place by January 1, 2014 to cover all appropriate governmental filings, including tax reporting (and UBIT), employee matters.
 5. By September 1, 2013 – Develop a proposal to independently manage (or contract with PMA to provide) all SPC computer support, including server, database management, email, security and disaster recovery. Implement proposal by time separate incorporation is achieved (target date of August 1, 2014), if approved.
 6. By January 30, 2014 - Develop and strengthen appropriate accounting and auditing procedures in order to assure that SPC has the capacity to handle its own accounting and bookkeeping functions, to be implemented by time separate incorporation is achieved (target date of August 1, 2014), if approved.
 7. An accounting audit will be performed at the transition from the PMA accounting systems to the new SP accounting systems.
- D. Marketing
1. By January 1, 2013 – Consistent strategies implemented for guest retention, including:

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- i. Exit Survey filled out by all guest group coordinators – results tabulated weekly by Conference Services Manager and reported to full management team.
 - ii. Follow-up calls initiated by Conference Services Manager for all groups with complaints.
 - iii. Follow-up calls initiated by Reservations Manager for potential rebooking.
2. By January 1, 2013 – Marketing Committee and Staff will develop a specific strategy for marketing based on outreach and networking – delineating specific monthly goals for sales calls/visits to develop new guest groups. Plan will emphasize development of client groups likely to be interested in using the property during midweek.
 3. By December 1, 2012 – Roll out of new website for SPC and social networking strategies.

E. Funds Development

1. Operating Budget
 - i. By the end of 2017 – Annual gifts to our operating budget will be \$150,000. Beginning in 2014, we will work to increase gifts by roughly thirty percent per year.
 - ii. Beginning in 2013 – The number of donors to SPC will be increased by 5% each year.
2. Campus Development
 - i. By the end of 2017 – The Capital Expenditure funds on the five-year budget projection will be realized. This \$40,000 to \$50,000 per year is to be used to underwrite the continuing cost of upgrades needed to maintain and improve the condition of the buildings on the property.
 - ii. By the end of 2017 - The Development Goal for Campus Development noted above will be met by incrementally growing the capacity of that campaign from \$35,000 in 2012 to \$100,000.
3. Creation of Endowments
 - i. By April 1, 2013 – The Development Committee will create a plan with a specific timeline to initiate the creation of two endowments – primarily with a program of planned gifts. This work will be coordinated with PMA’s Communications and Funds Development office and Legal Services Office and to extent needed with the Presbyterian Church (U.S.A.) Foundation. SPC will seek to re-establish the endowment for the Gilmor Sloane House, and to establish a new endowment to support the rest of the property. These endowments will be modeled on the Allison House Endowment currently managed by the Presbyterian Foundation. Each endowment will be developed to protect the principal, and to allow the income to be spent to maintain the physical plants and to subsidize programs that take place in those buildings. The Development Committee will establish the two funds in 2013, with the goal of acquiring a lead gift for each of the funds before the end of 2013.

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ii. By the end of 2017 – The Development Goal of Leadership Gifts for each year and/or in total will be achieved. **A.104**

F. Programming

1. By the end of each year – 5 new or current guest groups will have contracted with SPC to provide on-line registration.
2. By the end of each year – SPC will have provided leadership to enhance the programs of at least six new or current guest groups.

G. Capital Expenditures for Campus Development

The following prioritized projects will be completed within the next five to seven years, conditioned funds availability. The additional projects will be reviewed and implemented as funds become available.

CAPITAL BUILDING PROJECTS	
INITIAL PROJECTS (In priority sequence)	ESTIMATE
Maple (Beta) Building Heat, AC, Hot Water Systems	\$160,000
Maple (Beta) Heat, AC for Conference Rooms and Baths	\$40,000
Standing Seam Metal Roofs, Bldgs 1, 2, 3	\$120,000
Energy Efficient Windows, Bldgs 1, 2, 3	\$24,000
Standing Seam Metal Roof, Maple (Beta)	\$120,000
Energy Efficient Windows, Maple (Beta)	\$25,000
Switch to LED Lighting	<u>\$15,000</u>
TOTAL INITIAL PROJECTS	\$504,000
ADDITIONAL PROJECTS (Not prioritized)	
Evergreen (Lakota) Roof-Standing Seam	\$120,000
DeCamp A & B Roof	\$50,000
DeCamp A & B Windows	\$30,000
Gilmor Sloane House Roof	\$30,000
Gilmor Sloane House Interior Repairs*	\$25,000
Art Space**	\$200,000
Evergreen (Lakota) Heating Plant	\$100,000
Bathroom Upgrades for Accessibility	\$100,000
Beech Tree (Asia) Heat, Hot Water, A/C	\$55,000
Simple guest room makeovers for all Lodges	<u>\$200,000</u>
TOTAL ADDITIONAL PROJECTS	\$910,000
TOTAL CAPITAL PROJECTS	\$1,414,000
*There is approx \$25,000 remaining in the GSH Fund	
**The total cost is \$400,000 but we've received a gift of \$200,000	

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Since its inception Stony Point Center was a mission of the Board of Foreign Missions of the Presbyterian Church in the United States of America and later the GAMC (now PMA Board). As a mission, Stony Point Center had an operating budget. Excess and unspent operating funds of the PMA were directed to Stony Point Center and operating shortfalls were covered annually by PMA. Fund-raising was not a priority for Stony Point Center. In fact there was a perception that to fund-raise was to compete with the parent organization (PMA Board) and therefore, inappropriate.

Beginning around 2000, the PMA Board began to look to greater accountability for all of its operations. The term self-sufficiency began to creep into conversations. This change in direction did not impact Stony Point Center until 2007. At the end of 2007 the accumulated debt (operating shortfall) of Stony Point Center to the PMA was established to be \$1,142,336.

Beginning with the 2008 budget cycle, Stony Point Center was expected to live within its operating budget. In addition, the salary and benefits of the director and the underwriting of insurance for Stony Point Center, that were formerly carried in the PMA budget, were incorporated into the Stony Point Center budget.

New leadership, Transitional Co-Directors Rick and Kitty Ufford-Chase, were brought on board at Stony Point Center in August of 2008 to see if a programmatically and financially self-sustainable direction for Stony Point Center could be developed. The accumulated debt/loss increased \$200,415 in 2008, \$25,567 in 2009, \$377,576 in 2010 and \$10,837 in 2011. The total Stony Point Center debt/loss was \$1,589,642, at the end of 2011. Major changes have been made and the rate of operating debt to the PMA has decreased so much that in 2012 it will be zero. This amount is expected to stabilize at somewhere over \$1,500,000 at the end of 2012.

The Task Force recommends the following that:

- accumulated debt/loss amount of Stony Point Center to the PMA be set and isolated as of 12-31-2012;
- interest for lost opportunity costs not be added to the debt amount.

The following approaches and others may be considered alone and in combination:

- Forgiveness of the debt/loss as a cost of doing past mission;
- Allowance that long term capital improvements over \$10,000 be used to decrease the debt/loss as they increase the value of the property. A percentage could be applied to account for depreciation over time.
- Stony Point Center make payments to PMA after a reserve of 6 months operating expenses has been established (est. 7 years). The amount will need to start low and escalate over a period of 25, 30 or 40 years in a way that does not impede Stony Point Center from operational sustainability in meeting its mission.

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- Explore with the Presbyterian Foundation if there is a possibility to recover PMA debt/loss from funds received as proceeds from the sale of property should the property be sold at some point in the future. **A.104**

The Transitional Task Team will work with PMA Staff and the Stony Point Governing Board to make a recommendation to the PMA Board in 2013 addressing the debt/loss in such a way that it does not impede Stony Point Center from future viability.

VII. Property

Stony Point Center is located in the lower Hudson River Valley, Rockland County, NY, in the historic town of Stony Point that overlooks the Hudson River. Over 17 million people live within a 50-mile radius of the center. SPC is 40 miles, a 56-minute drive from Central Park in NYC and 50 miles from the Newark International Airport.

Five parcels of land make up SPC. Three are contiguous. Four of the parcels, which were a testamentary gift from sisters, contain approximately 31.8 acres. This property is surrounded by single-family residential homes. The property has a balance of open space with meadows for recreation, respite and gardening. The perimeter of the property is deciduous forest. One feels that they are far from civilization and yet they are just minutes from NYC.

The first parcel runs west to east along West Main Street. On the west end of this parcel is the Gilmore Sloane Victorian Mansion, Leber and Stone houses, and the newly constructed architecturally dramatic Meditation Space. Twenty-one people can be accommodated in the Gilmore Sloane Mansion. The east end of this parcel has a two-story duplex, the Readers Service Center, the newly renovated CLBSJ (The Center and Library for the Bible and Social Justice), and the Penguin Repertory Playhouse.

Running parallel to the first parcel is the second parcel. The entrance to SPC is on the east end of this second parcel off of Crickettown Road. On this parcel are the buildings that opened in 1958 as the Ecumenical Training Center and became the Missionary Operations Center in 1960. These concrete block buildings include Evergreen, the welcome center, dining hall, offices and conference spaces for SPC. Next to Evergreen is the Crickettown Nursery School. There are four additional residential buildings, Beech Tree, Walnut, Magnolia and Maple. These buildings have dormitory style rooms for two, with bathrooms and showers centrally located across the hall, with living and meeting spaces and fireplaces in each. The buildings can accommodate 140 guests, are very clean, functional, and dated. On the north perimeter of this parcel are Kennedy houses I, II and III, Quimby A & B and a shop.

The smaller third parcel is unused at this time.

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Across Main Street from the contiguous parcels is a separate forested parcel with a small house. This is known as Shomer Salom (formerly Kunkel House). It is on a steep slope leading to Cedar Pond Brook and does not front on the water.

A fifth and separate parcel is Allison House, a testamentary gift which is located 2 blocks east of Crickettown Road on West Main Street. This house was recently fully renovated and can accommodate 16 people and can be a private retreat center.

Title and beneficial ownership of the Stony Point property is complicated and each parcel has its own history. Over the years, title to various parcels has evolved so "Stony Point" is titled in the name of several corporations of the General Assembly of the Presbyterian Church (U.S.A.) including:

- COEMAR (Commission on Ecumenical Mission and Relations of the Presbyterian Church (U.S.A.) (f/k/a Board of Foreign Missions of the Presbyterian Church in the United States of America), a constituent corporation of Presbyterian Church (U.S.A.), A Corporation;
- Presbyterian Church (U.S.A.), A Corporation, successor to The United Presbyterian Church in the United States of America, A Corporation;
- Presbyterian Church (U.S.A.) Foundation, successor to The United Presbyterian Church in the United States of America, A Corporation, as Trustees of the General Assembly;
- Presbyterian Church (U.S.A.) Foundation.

In addition to these corporations holding title to the parcels, three restricted funds held by the Presbyterian Church (U.S.A.) Foundation own the five parcels. Each of these restricted funds has its own set of donor restrictions which proscribe how the property may be used.

VIII. Staffing

The Deputy Executive Director of Mission has and will ensure qualified and motivated executive management is employed or under contract at Stony Point Center through the 221st General Assembly (2014).

IX. Conclusion

Based on a comprehensive review of the missional alignment, viability, financial sustainability, and management performance of Stony Point Center, the Task Force recommends an almost 2 year commitment of the PMA Board to monitor the benchmarks of Stony Point Center and affirm and approve a path and process to establish Stony Point Center as a separate legal entity – a corporation related to the Presbyterian Church (U.S.A.) – controlled by the PMA Board subject to the lawful directions of the General Assembly.

The proposed strategy places Stony Point's key stakeholders in the "driver's seat" for discerning their life and mission, allowing the Center maximum flexibility while maintaining an organic PC(USA) connection. Given present leadership and the

PRESBYTERIAN MISSION AGENCY BOARD

September 12-13, 2012

Stony Point Review Task Force

population densities around the Center, the potential is incredible for expanding program and financial viability. **A.104**

While Stony Point Center has seen very significant gains in the last three years under the current Transitional Co-Directors, at this point, it is not financially self-sufficient. With the current economy, the Task Force believes the testing period negotiated in September 2007, and then put into place with a PMA Board/Stony Point Covenant approval in 2008, was not sufficient time to move Stony Point into full sustainability, even with the engagement of Transitional Co-Directors Rick and Kitty Ufford-Chase and their excellent work and superior management skills.

As impressive as current progress has been, we believe more time is needed to achieve a fuller measure of clarity regarding the mission, program and sustainability of Stony Point. In summary, we envision this achievement in the following fashion:

Move the PMA Board away from conference center ownership:

- Move Stony Point toward incorporation as a separate 501(c)(3) nonprofit corporation subject to the PMA Board;
- The Task Force recommends the new corporation's governance documents stipulate that, should Stony Point move from this originating charter or be sold, the remaining assets after legal obligations are fulfilled shall be distributed as provided by applicable fund documents, the articles of incorporation and applicable law, including repayment of any outstanding indebtedness to the PMA Board and/or Presbyterian Church (U.S.A.), A Corporation.

Stony Point Center represents an exciting mission opportunity for the Presbyterian Church (USA). We believe it would be a great loss to lose this resource for the mission of the Presbyterian Church (USA) and our witness to Jesus Christ.

To Be APPROVED: April 2013

**MINUTES OF THE
PRESBYTERIAN MISSION AGENCY BOARD
OF THE
PRESBYTERIAN CHURCH (U.S.A.)
Ninety-sixth Stated Meeting
Louisville, Kentucky
September 12–14, 2012**

**As Recorded by the Staff of the
Office of the General Assembly
100 Witherspoon Street
Louisville, KY 40202**

INDEX

ACTIONS TAKEN

MINUTES

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Presbyterian Mission Agency Board
September 12–14, 2012**

Appendices

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2. Nominating Committee Report
3. Revised Compensation Plan
4. 2013 and 2014 Revised Budgets
5. Update on 1001 Worshiping Communities
6. PC(USA) Mission in Korea
7. Korean Ministries in the PC(USA)
8. Finance Committee Report
9. Justice Committee Report
10. Leadership Committee Report
11. Worshiping Communities Committee Report
12. Audit Committee Report
13. Executive Committee Report I
14. Executive Committee Report II
15. Executive Committee Report III
16. Information Items

Audit Committee Report

Budget, Revised

Chair Report

Recess/Reconvene

The Board recessed for a break at 3:30 p.m. and reconvened at 3:50 p.m.

Executive Committee Overview

Schramm introduced topics considered by the Executive Committee:

- Revised Compensation Plan – Ruth Gardner presented a report on the plan (Appendix 3).
- Ambassadors Program – Gail Strange presented information on the program.

Revised Budget

Joey Bailey reported on the 2013 and 2014 revised budgets (Appendix 4).

1001 Worshiping Communities

Roger Dermody made a presentation on the 1001 Worshiping Communities initiative (Appendix 5).

Presbyterian Church of Korea (PCK) and Korean Ministries in the PC(USA)

Hunter Farrell and Rhashell Hunter presented information on the Presbyterian Church of Korea (Appendix 6) and on Korean ministries in the PC(USA) (Appendix 7).

ACTION 5-912 Convene in Closed Session

The Board **VOTED** to convene in closed session to discuss a personnel matter with only the following invited to remain: voting members, corresponding members, at large members of Finance Committee and Audit Committee, Linda Valentine, Kerry Clements, and Martha Clark.

Closed Session

The Board entered closed session at 5:10 p.m. and emerged from closed session at 5:35 p.m. Schramm announced that no actions were taken during the closed session.

Recess

The Board recessed at 5:35 p.m. following prayer offered by Jan Martin.

Dinner and Worship

The Board gathered for a group dinner at 6:00 p.m. in The Spire of the Hyatt Regency Hotel.

Friday, September 14

The Presbyterian Mission Agency Board was reconvened by Matthew Schramm in the Regency Ballroom North of the Hyatt Regency Hotel on Friday, September 14, 2012 at 8:35 a.m. with worship led by Marianne Rhebergen.

Finance Committee Report

Clark Cowden presented the report of the committee.

ACTION 6–912 Approve Capital Reserve Budget Allocation

The Board **VOTED** to approve item an allocation of \$75,000 (for requests from Information Technology) from the Capital Reserve Budget. (See pages 3 and 4 of Appendix 8.)

ACTION 7–912 Approve 2013 and 2014 Revised Budgets

The Board **VOTED** to approve the 2013 and 2014 Revised Mission Budgets of \$84,126,423 and \$80,506,945, respectively. (See pages 5–10 of Appendix 8.)

ACTION 8–912 Approve Stony Point Task Force Recommendations

The Board **VOTED** to approve the following recommendations:

- 1) Approve a path and process to establish Stony Point Center as a separate legal entity – a corporation related to the Presbyterian Church (U.S.A.) – controlled by the PMA Board and subject to the lawful directions of the General Assembly;
- 2) That a Transitional Task Team be appointed to guide this process toward incorporation;
- 3) That the Transitional Task Team consist of:
 - a. The current Task Force members: Melissa DeRosia, Jack Hodges, Kathy Trott;
 - b. the current liaison from the Board to Stony Point Governing Board;
 - c. The chair of the Stony Point Governing Board;
 - d. Two members appointed by the Stony Point Task Force from recommendations of the Governing Board of Stony Point Center;
 - e. And that Presbyterian Mission Agency (PMA) staff support would be the Transitional Co-Directors of Stony Point Center, the Associate for Camp and Conference Ministries and members of the PMA Legal Department, all with voice but no vote;
- 4) Upon successful incorporation, an orderly transition of services and financial support from the Presbyterian Mission Agency to the Stony Point Center, at the same time preserving and enhancing Stony Point’s missional relationship with the PCUSA and PMA Board; and
- 5) That should Stony Point not survive as a separate corporation or not be approved for incorporation, the Presbyterian Church have in place provisions to recoup past cost overruns and outstanding advances. The specific amounts of the overruns and advances are to be determined as of December 31, 2012.

The report of the Finance Committee is found in Appendix 8.

Vice chair Arthur Canada assumed the chair.

ACTION 9–912 Convene as Board of PCUSA, A Corporation

At 9:00 a.m., the Board **VOTED** to convene as the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation, and Its Constituent Corporations until 9:05 a.m.

Schramm assumed the chair.

**Report A.001
Finance Committee
Presbyterian Mission Agency Board
September 14, 2012**

The Finance Committee reports the activities of the September 12-13, 2012 meeting.

I. FOR CONSENT:

No Items to report.

II. FOR ACTION:

The Finance Committee:

1. Approved and recommends an allocation of \$75,000 (for requests from Information Technology) from the Capital Reserve Budget. (See pages 3 and 4 of this appendix.)
2. Approved and recommends the 2013 and 2014 Revised Mission Budgets of \$84,126,423 and \$80,506,945, respectively. (See pages 5–10 of this appendix.)
3. Received the Stony Point Review Task Force Report and approved and recommends the following: (See pages 11–51 of this appendix.)
 - 1) The Task Force recommends that the Presbyterian Mission Agency Board (PMA Board) affirm and approve a path and process to establish Stony Point Center as a separate legal entity – a corporation related to the Presbyterian Church (U.S.A.) – controlled by the PMA Board and subject to the lawful directions of the General Assembly. This is not the recommendation for incorporation, but rather a recommendation that the PMA Board move toward incorporation as a way forward for Stony Point Center. This new corporate entity would have authority to make strategic decisions about long-term viability, and effectively manage the Center's program and resources.
 - 2) The Task Force recommends that a Transitional Task Team be appointed to guide this process toward incorporation.
 - 3) That the Transitional Task Team consist of:
 - a. The current Task Force members: Melissa DeRosia, Jack Hodges, Kathy Trott;
 - b. The current liaison from the Board to Stony Point Governing Board;
 - c. The chair of the Stony Point Governing Board;
 - d. Two members appointed by the Stony Point Task Force from recommendations of the Governing Board of Stony Point Center;
 - e. And that Presbyterian Mission Agency (PMA) staff support would be the Transitional Co-Directors of Stony Point Center, the Associate for Camp and Conference Ministries and members of the PMA Legal Department, all with voice but no vote.
 - 4) Upon successful incorporation, the Task Force recommends an orderly transition of services and financial support from the Presbyterian Mission Agency to the Stony Point Center, at the same time preserving and enhancing Stony Point's missional relationship with the PCUSA and PMA Board.

- 5) The Task Force recommends that should Stony Point not survive as a separate corporation or not be approved for incorporation, the Presbyterian Church have in place provisions to recoup past cost overruns and outstanding advances. The specific amounts of the overruns and advances are to be determined as of December 31, 2012.

III. FOR INFORMATION:

The Finance Committee:

Approved:

1. The minutes from the May 2012 Stewardship Committee meeting
2. The Shared Services referrals from the 220th GA (2012)

Received:

1. The Foundation 2012 2nd Quarter Performance Report (**227**)
2. The Coordinated Loan Program report (**222**)
3. The General Assembly Mission and Program operating reports as of July 31, 2012 (**218**) and August 31, 2012 (**231**)
4. The Presbyterian Mission Program Fund reports as of July 31, 2012 (**219**) and August 31, 2012 (**232**)
5. The Congregational Ministries Publishing - Curriculum Publishing Program Area financials as of July 31, 2012 (**220**) and August 31, 2012 (**233**)
6. The Endowments and New Gifts Report for March to June 2012 (**221**)
7. The Per Capita operating reports as of July 31, 2012 (**224**) and August 31, 2012 (**234**)
8. Ghost Ranch Report as of July 31, 2012 (**225**) and August 31, 2012 (**229**)
9. Stony Point Center Report as of July 31, 2012 (**226**) and August 31, 2012 (**230**)
10. Information Technology Report (**223**)

**ITEM A.104
FOR ACTION**

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
X	A. Finance		E. Corporate Property, Legal, Finance
	B. Justice		F. PC(USA), A Corporation
	C. Leadership		G. Audit
	D. Worshipping Communities		H. Executive Committee
			J. Nominating Committee
			K. Governance Committee
			P. Plenary

Subject: Stony Point Review Task Force Report and Recommendation

Recommendation:

The Stony Point Review Task Force (“Task Force”) provides the attached report to the Committee in response to the Task Force’s charge for communication to the Presbyterian Mission Agency Board (“Board”), and recommends the Committee approve and recommend the following to the Board for its approval:

1. The Task Force recommends that the Presbyterian Mission Agency Board (PMA Board) affirm and approve a path and process to establish Stony Point Center as a separate legal entity – a corporation related to the Presbyterian Church (U.S.A.) – controlled by the PMA Board and subject to the lawful directions of the General Assembly. This is not the recommendation for incorporation, but rather a recommendation that the PMA Board move toward incorporation as a way forward for Stony Point Center. This new corporate entity would have authority to make strategic decisions about long-term viability, and effectively manage the Center’s program and resources.
2. The Task Force recommends that a Transitional Task Team be appointed to guide this process toward incorporation.
3. That the Transitional Task Team consist of:
 - a. The current Task Force members: Melissa DeRosia, Jack Hodges, Kathy Trott;
 - b. The current liaison from the Board to Stony Point Governing Board;
 - c. The chair of the Stony Point Governing Board;
 - d. Two members appointed by the Stony Point Task Force from recommendations of the Governing Board of Stony Point Center;
 - e. And that Presbyterian Mission Agency (PMA) staff support would be the Transitional Co-Directors of Stony Point Center, the Associate for Camp and Conference Ministries and members of the PMA Legal Department, all with voice but no vote.
4. Upon successful incorporation, the Task Force recommends an orderly transition of services and financial support from the Presbyterian Mission Agency to the Stony Point Center, at the same time preserving and enhancing Stony Point’s missional relationship with the PCUSA and PMA Board.
5. The Task Force recommends that should Stony Point not survive as a separate corporation or not be approved for incorporation, the Presbyterian Church have in place provisions to recoup past cost overruns and outstanding advances. The specific amounts of the overruns and advances are to be determined as of December 31, 2012.

Background:

On September 22, 2011, the General Assembly Mission Council¹ created the Stony Point Task Force (Task Force):

“Approve that the Presbytery Mission Agency Board create a task force as follows:

- A. The Task Force will be comprised of four members selected by the Chair of the Presbytery Mission Agency Board, two members each from the Stewardship and Evangelism Committees, and will be supported by PMA staff.
- B. The Task Force will study the missional alignment, viability, financial sustainability, and management performance of Stony Point Conference Center.
- C. The Task Force will bring to the February 2012 Presbyterian Mission Agency Board meeting a report and recommendation concerning all of the elements in Subsection B.”²

The Task Force has convened in many face-to-face meetings, conference calls, a meeting with Stony Point Centers 23-member Governing Board (Current Board), and extensive face-to-face interviews with members of the PMA staff including: Joey Bailey (Deputy Executive Director and CFO), Kristine Baker (Risk Manager), Martha Clark (Director of Legal/Risk Management Services Office and General Counsel), April Davenport (Associate General Counsel), Roger Dermody (Deputy Executive Director/Mission), Eric Hoey (Director of Evangelism and Church Growth), Mike Kirk (Associate General Counsel), Sara Lisherness (Director of Compassion, Peace and Justice), Tim Quinn (Assistant Treasurer), Dottie Smith (Director and Treasurer), and Linda Valentine (Executive Director).

The Task Force held face-to-face meetings with staff at Stony Point Center: Rick and Kitty Ufford-Chase (Transitional Co-Directors), Donna Costa (Manger Food Services), Karen Kaufman (Administrative Assistant to the Directors), Linda Pagano (Business Manager and HR), Mary Romano (Manager Reservations), Paula Sandusky (Manager IT and Communications), Geeta Seemungle (Manager Housekeeping), and John Taylor (Manager Conference Services).

The Task Force is very grateful for the cooperation and gracious responses of all parties and particularly lifts up the excellent staff who supported our work.

¹The 220th General Assembly (2012) approved the name change of the General Assembly Mission Council to the Presbyterian Mission Agency Board.

²PMA Board minutes of September 21-23, 2011. At their February 2012 meeting, the PMA Board, at the request of the Task Force, changed the date for this Report and Recommendations to September 2012.

**ITEM A.103
FOR ACTION**

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
X	A. Finance		E. Corporate Property, Legal, Finance
	B. Justice		F. PC(USA), A Corporation
	C. Leadership		G. Audit
	D. Worshiping Communities		H. Executive Committee
			J. Board Nominating & Governance Subcommittee
			P. Plenary

Subject: The Stony Point Transitional Task Team Report and Recommendation for Incorporation of Stony Point Center.

Recommendation:

1. The Presbyterian Mission Agency Board approve separate incorporation of Stony Point Center as a new corporation and recommend approval to the 121st General Assembly (2014) to establish Stony Point Center as a separate legal entity for which Presbyterian Church (U.S.A.) A Corporation will be the sole member, said new corporation to be called “Stony Point Center for Multifaith Justice, Peace and Nonviolence; this new corporation to be accountable to the General Assembly through the Presbyterian Mission Agency Board, as more specifically described in the following documents:

- A. The Deliverance (attached as Exhibit A)
- B. The Articles of Incorporation (attached as Exhibit B)
- C. The By-Laws (attached as Exhibit C)

2. Upon successful incorporation, the Transitional Task Team recommends an orderly transition of administrative support services and financial support from the PMA Board to the Stony Point Center, while preserving and enhancing Stony Point’s missional relationship with the PC(USA) and PMA Board. This would include:

- A. Forgiving the accumulated loss of \$1,489,583;
- B. Establishing an initial working capital at the date of incorporation.
- C. Transferring to the new corporation the balance of the “Temporarily Restricted Funds” for designated projects at Stony Point Center and all other funds being held on account for SPC (e.g. prepaid reservations).

3. The PMA Board recommends the development and execution of a lease agreement to be substantially consistent with the attached agreement governing the new corporation’s use of property belonging to other entities of Presbyterian Church (U.S.A.), A Corporation and the Presbyterian Church (U.S.A.) Foundation.

Background and Documents attached for review by PMAB members:

In September 2012, the Presbyterian Mission Agency Board created the Stony Point Center Transitional Task Team (TTT) in response to the receipt of a proposal from the Stony Point Task Force established the previous year. The TTT included four members of the PMA Board, as well as the Chair of the Stony Point Center Governing Board and two members nominated by the Stony Point Center Governing Board. After a year of review and evaluation of the proposal based on the PMA Board “Criteria and Standards Applied By the General Assembly Council When it Considers Proposals for New Corporations” (attached D) it is the judgment of the TTT that all of the Justification Criteria have been met and the continued mission of Stony Point Center would best be served by separately incorporating as a corporation that reports to the General Assembly through the Presbyterian Mission Agency Board with viability conditioned on the financial support and lease included in the TTT’s Recommendation.

PRESBYTERIAN MISSION AGENCY BOARD

September 25 – 27, 2013

Stony Point Transitional Task Team

- A. “Justification Criteria for Incorporation” Responses from the Stony Point Transitional Task Team **Item A.103**
- B. Updated 2013 Stony Point Center Business Plan which demonstrates the viability criteria have been met
- C. Draft of Proposed Lease
- D. “Criteria and Standards Applied By the General Assembly Council When it Considers Proposals for New Corporations”
- E. Summary of SPC’s Progress against Benchmarks established in September 2012
- F. “Stony Point Review Task Force Report and Recommendation” To the Presbyterian Mission Agency Board Approved in September 2012

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PRESBYTERIAN MISSION AGENCY BOARD
September 25-27 2013
Stony Point Transitional Task Team
Exhibit A/Item A.103

1 **DRAFT**

2
3 **Deliverance**

4
5 **Stony Point Center**
6 **for Multi-faith Justice, Peace and Nonviolence, Inc.**

7
8 **Establishment of a Corporation and Related Matters**
9
10

11 Section 1. (a) Corporation established – There shall be established at the close of
12 business on July ___, 2014, a separate corporate agency of the General Assembly a
13 corporation, which shall be incorporated under the laws of Commonwealth of
14 Pennsylvania and shall be known as Stony Point Center for Multi-faith Justice, Peace and
15 Nonviolence, Inc. (“the Corporation”). The Corporation shall be a membership
16 corporation and the Presbyterian Church (U.S.A.), A Corporation shall hold the sole
17 membership (which shall be nonvoting) in the Corporation.
18

19 (b) Forms of Articles – The articles of incorporation of the Corporation shall be in
20 substantially the form submitted to and approved by the 221st General Assembly (2014),
21 with such changes therein as may be approved by the General Assembly of the
22 Presbyterian Church (U.S.A.) or by an authorized entity thereof. The initial board of
23 directors shall consist of seven (7) directors, who shall serve as the board of directors of
24 the Corporation until another board is chosen under the provisions of Section 2(b) herein
25 below. The board of directors shall consist of no more than nine (9) members.
26

27 Section 2. (a) Corporate charter – The articles of incorporation of the Corporation
28 shall provide for its governance and subordination to the Presbyterian Mission Agency
29 Board to substantially the following effect:
30

31 The management and disposition of the affairs and property of the Corporation
32 shall be vested in directors, who shall be selected from time to time in such
33 number and manner and for such terms as the General Assembly of the
34 Presbyterian Church (U.S.A.) (the “General Assembly”) may determine. All the
35 business and affairs of the said corporation shall be conducted by the directors
36 under and subject to the direction of the General Assembly, the Presbyterian
37 Mission Agency Board, or any agency thereof thereunto duly authorized, so far as
38 such direction shall be lawful and in accordance with the Constitution of the
39 Presbyterian Church (U.S.A.) and the laws of the Commonwealth of Pennsylvania
40 and of the United States of America. No material change shall be made in these
41 articles of incorporation without the prior approval of the General Assembly.
42

43 (b) Governing Board – (1) Until further action of the General Assembly or of any
44 officer or agency thereof thereunto duly authorized, the board of directors of the
45 Corporation shall consist of nine (9) members. Employees and staff of General

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PRESBYTERIAN MISSION AGENCY BOARD

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Stony Point Transitional Task Team
Exhibit A/Item A.103

1 Assembly-level entities are ineligible to serve on the board of directors. Board members
2 must meet eligibility requirements set forth in the *Book of Order*. The board shall be
3 selected as follows:

- 4
- 5 (i) Two (2) at-large members shall be nominated by the General Assembly
6 Nominating Committee and elected by the Presbyterian Mission Agency
7 Board. Such at-large members shall be elected by the Presbyterian
8 Mission Agency Board for a four-year term, subject to confirmation by the
9 General Assembly. Each person so elected shall be eligible to serve up to
10 a maximum of two terms. No director may serve more than two terms,
11 full or partial.
- 12
- 13 (ii) One member shall be elected by the Presbyterian Mission Agency Board
14 from among its own membership and selected from the membership of
15 either the Finance Committee or the Justice Committee or the successors
16 to these committees. Such members shall be elected by the Presbyterian
17 Mission Agency Board for one four-year non-renewable term, subject to
18 confirmation by the General Assembly. The person so elected shall be
19 eligible to serve so long as such person continues to serve as a member of
20 the Presbyterian Mission Agency Board on the above-specified
21 committees. No director may serve more than one term, full or partial.
22 Membership on the board of directors shall in any event end at the end of
23 the term of service on Presbyterian Mission Agency Board and/or on the
24 above-specified committees.
- 25
- 26 (iii) One member shall be nominated by the Presbyterian Church (U.S.A.)
27 Foundation and elected by the Presbyterian Mission Agency Board. Such
28 member shall be elected by the Presbyterian Mission Agency Board for a
29 four-year term, subject to confirmation by the General Assembly. The
30 person so elected shall be eligible to serve up to a maximum of two terms.
31 No director may serve more than two terms, full or partial.
- 32
- 33 (iv) Two (2) members shall be nominated by the General Assembly
34 Nominating Committee from among the Synod of the Northeast of the
35 Presbyterian Church (U.S.A.) or its successor and its corresponding
36 presbyteries and elected by the Presbyterian Mission Agency Board. Such
37 member shall be elected by the Presbyterian Mission Agency Board for a
38 four-year term, subject to confirmation by the General Assembly. The
39 person so elected shall be eligible to serve up to a maximum of two terms.
40 No director may serve more than two terms, full or partial.
- 41
- 42 (v) Upon recommendation of the corporation's Executive Committee, three (3)
43 at large members shall be nominated by the board of directors of the
44 Corporation and elected by the Presbyterian Mission Agency Board. Such
45 at large members shall be elected by the Presbyterian Mission Agency
46 Board for a four-year term, subject to confirmation by the General

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PRESBYTERIAN MISSION AGENCY BOARD

September 25-27, 2013

Stony Point Transitional Task Team

Exhibit A/Item A.103

1 Assembly. Each person so elected shall be eligible to serve up to a
2 maximum of two terms. No director may serve more than two terms, full
3 or partial.

4
5 (vi) Vacancies. Should a vacancy in membership occur, the Stated Clerk of the
6 General Assembly of the Presbyterian Church (U.S.A.) shall be notified of
7 the vacancy by the chair of the Corporation, and the process provided by
8 the General Assembly policies and procedures shall be followed to fill the
9 vacancy.

10
11 (c) By-laws – The by-laws of the Corporation shall state that in making selections
12 and nominations, consideration shall be given to the need for individuals having
13 experience and skill relevant to the purposes and activities of the Corporation. The by-
14 laws will contain a mechanism for the Presbyterian Mission Agency Board to coordinate
15 the review and selection of members of the board of directors.

16
17 (d) Executives - The board of directors of the Corporation, shall elect a president
18 for a term of four years, subject to confirmation by the General Assembly. The board of
19 directors may elect one or more vice presidents, a treasurer, and a secretary for terms of
20 up to four years. The board of directors may elect other assistant executives. Such
21 executives shall be eligible for reelection. The board of directors of the Corporation shall
22 cause the president, who shall be the chief executive officer of the Corporation, to be
23 accountable to the board of directors for carrying out its policies and directives, and for
24 maintaining an effective partnership with the ministry area designated by the Presbyterian
25 Mission Agency Board's Executive Director. The Board of directors of the Corporation
26 shall ensure that the president maintains an appropriate partnership with the Presbyterian
27 Mission Agency Board through the Office of its Executive Director.

28
29 (e) Functions - Subject to any inconsistent provision of the Articles of Agreement
30 or the Form of Government of the Presbyterian Church (U.S.A.) and subject to the lawful
31 directions from time to time of the General Assembly or the Presbyterian Mission
32 Agency Board or of any agency thereof thereunto duly authorized, the Corporation shall:

- 33
34 (a) be an integrated auxiliary and a part of the Presbyterian Church
35 (U.S.A.) and to engage in any and all lawful activities:
36 1. to facilitate multi-faith education, outreach, and fellowship;
37 and
38 2. to respond to challenges that confront people of all faith
39 traditions in ways that further the witness of the Presbyterian
40 Church (U.S.A.) throughout the world, as declared by the 221st
41 General Assembly (2014) of the Presbyterian Church (U.S.A.);
42 and
43 (b) engage in any and all other lawful activities as directed by the
44 General Assembly or the Presbyterian Mission Agency Board or
45 their successors;

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PRESBYTERIAN MISSION AGENCY BOARD
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Stony Point Transitional Task Team
Exhibit A/Item A.103

- 1 (c) Provide accounting and reporting with respect to all of the
2 foregoing; and
3 (d) Provide such other mission and related services as the General
4 Assembly or the Presbyterian Mission Agency Board may direct
5 or approve.
6
7 (f) Personnel Policies – The board of directors shall develop position descriptions
8 and personnel policies and procedures for all positions. In so doing, the General
9 Assembly Churchwide Compensation Guidelines or successors to such document, shall
10 apply.
11
12 (g) Reporting Responsibility – The Corporation shall report to the General
13 Assembly through the Presbyterian Mission Agency Board , and shall report to the
14 Presbyterian Mission Agency Board at least annually.
15
16
17
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19

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PRESBYTERIAN MISSION AGENCY BOARD
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Stony Point Transitional Task Team
Exhibit B/Item A.103

DRAFT
ARTICLES OF INCORPORATION

OF

STONY POINT CENTER
FOR
MULTI-FAITH JUSTICE, PEACE AND NONVIOLENCE, INC.

In compliance with the requirements of 15 Pa.C.S. §5306 (relating to articles of incorporation), the undersigned, desiring to incorporate a nonprofit corporation, hereby states that:

ARTICLE I: The name of the corporation (the “Corporation”) is Stony Point Center for Multi-faith Justice, Peace and Nonviolence, Inc.

ARTICLE II: The address of the registered office of the Corporation in this Commonwealth is 425 Lombard Street, Philadelphia, Pennsylvania 19147.

ARTICLE III: The Corporation is incorporated under the Nonprofit Corporation Law of 1988 for the following purpose or purposes:

- (a) To be an integrated auxiliary and a part of the Presbyterian Church (U.S.A.) and to engage in any and all lawful activities:
 - 1. to facilitate multi-faith education, outreach, and fellowship; and
 - 2. to respond to challenges that confront people of all faith traditions in ways that further the witness of the Presbyterian Church (U.S.A.) throughout the world, as declared by the 221st General Assembly (2014) of the Presbyterian Church (U.S.A.); and
- (b) To engage in any and all other lawful activities as directed by the General Assembly or the Presbyterian Mission Agency Board or their successors.

ARTICLE IV: The Corporation is one which does not contemplate pecuniary gain or profit, incidental or otherwise.

ARTICLE V: The Corporation shall exist perpetually.

ARTICLE VI: The Corporation is organized upon a nonstock basis.

ARTICLE VII: The sole member of the Corporation shall be the Presbyterian Church (U.S.A.), A Corporation.

8/29/13

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ARTICLE VIII: The name and address, including street and number, of the incorporator is as follows: Matthew Elkin, Morgan Lewis & Bockius LLP, 1111 Pennsylvania Avenue, N.W., Washington, D.C. 20004

ARTICLE IX: The management and disposition of the affairs and property of the Corporation shall be vested in the directors, who shall be selected from time to time in such number and manner and for such terms as the Presbyterian Church (U.S.A.) General Assembly may determine. All the business and affairs of the Corporation shall be conducted by the directors under and subject to the direction of the General Assembly, the Presbyterian Mission Agency Board or any agency thereof thereunto duly authorized, so far as such direction shall be lawful and in accordance with the Constitution of the Presbyterian Church (U.S.A.) and the laws of the Commonwealth of Pennsylvania and of the United States of America. No material change shall be made in these Articles of Incorporation without the prior approval of the General Assembly.

ARTICLE X: All the properties, moneys and assets of the Corporation are irrevocably dedicated to charitable and religious purposes and shall not inure to the benefit of any private individual. In the event that the Corporation shall be dissolved or wound up at any time, then all the properties, moneys, and assets of the Corporation shall be transferred exclusively to and become the property of such nonprofit funds, foundations or corporations, all the assets of which are irrevocably dedicated to religious and charitable purposes, as are selected and designated by the General Assembly.

IN TESTIMONY WHEREOF, the incorporator has signed these Articles of Incorporation this ____ day of _____, 2014.

Incorporator

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1
2
3 **DRAFT**
4 **BYLAWS**

5
6 **OF**

7
8 **STONY POINT CENTER**
9 **FOR JUSTICE, PEACE AND NONVIOLENCE, INC.**

10
11 (a Pennsylvania Nonprofit Corporation,
12 Incorporated July __, 2014)

13
14 ...oo0oo...

15
16
17 **ARTICLE I**

18 **Offices and Fiscal Year**

19
20
21 Section 1.01. Offices. The corporation may have offices at such places within or without
22 the United States of America as the board of directors may from time to time appoint or the
23 business of the corporation requires.

24
25 Section 1.02. Fiscal Year. The fiscal year of the corporation shall begin on the first day
26 of January in each year.

27
28
29
30 **ARTICLE II**

31 **Membership**

32
33
34 Section 2.01. Sole Member. The sole member of the corporation shall be the
35 Presbyterian Church (U.S.A.), A Corporation.

36
37 Section 2.02. Voting. The sole member of the corporation shall have no voting rights,
38 except (a) the sole member must approve these initial bylaws, (b) that the corporation may not be
39 dissolved without the consent of the sole member, and (c) as so otherwise expressed in the
40 bylaws or articles of incorporation.

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Stony Point Transitional Task Team
Exhibit C/Item A.103

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ARTICLE III

[Reserved]

ARTICLE IV

Board of Directors

Section 4.01. Number; Qualification and Selection; Term of Office; Removal. The initial board of directors shall consist of seven (7) members, each of whom shall serve until his or her successor is selected in the manner hereinafter set forth, or until his or her earlier death, resignation or removal. The board of directors of the corporation shall consist of nine (9) members. Employees and staff of General Assembly-level entities are ineligible to serve on the board of directors. Full terms commence at the end of the Corporation's Annual meeting. The board of directors shall be eligible under the *Book of Order* of the Presbyterian Church (U.S.A.), selected in the manner and for the term set forth below and may be removed as set forth below:

- a) Two (2) at-large members shall be nominated by the General Assembly Nominating Committee and elected by the Presbyterian Mission Agency Board. Such at-large members shall be elected by the Presbyterian Mission Agency Board for a four-year term, subject to confirmation by the General Assembly. Each person so elected shall be eligible to serve up to a maximum of two terms. No director may serve more than two terms, full or partial.
- b) One member shall be elected by the Presbyterian Mission Agency Board from among its own membership and selected from the membership of either the Finance Committee or the Justice Committee, or the successors to these committees. Such members shall be elected by the Presbyterian Mission Agency Board for one four-year non-renewable term, subject to confirmation by the General Assembly. The person so elected shall be eligible to serve so long as such person continues to serve as a member of the Presbyterian Mission Agency Board on the above-specified committees. No director may serve more than one term, full or partial. Membership on the board of directors shall in any event end at the end of the term of service on Presbyterian Mission Agency Board and/or on the above-specified committees.
- c) One member shall be nominated by the Presbyterian Church (U.S.A.) Foundation and elected by the Presbyterian Mission Agency Board. Such member shall be elected by the Presbyterian Mission Agency Board for a four-year term, subject to confirmation by the General Assembly. The person so

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1 elected shall be eligible to serve up to a maximum of two terms. No director
2 may serve more than two terms, full or partial.

3
4 d) Two (2) members shall be nominated by the General Assembly Nominating
5 Committee from among the Synod of the Northeast of the Presbyterian Church
6 (U.S.A.) and its corresponding presbyteries and elected by the Presbyterian
7 Mission Agency Board. Such member shall be elected by the Presbyterian
8 Mission Agency Board for a four-year term, subject to confirmation by the
9 General Assembly. The person so elected shall be eligible to serve up to a
10 maximum of two terms. No director may serve more than two terms, full or
11 partial.

12
13 e) Upon recommendation of the Corporation's Executive Committee, three (3) at -
14 large members shall be nominated by the board of directors of the Corporation
15 and elected by the Presbyterian Mission Agency Board. Such at- large members
16 shall be elected by the Presbyterian Mission Agency Board for a four-year term,
17 subject to confirmation by the General Assembly. Each person so elected shall
18 be eligible to serve up to a maximum of two terms. No director may serve more
19 than two terms, full or partial.

20
21 f) Any director may be removed, with or without cause, by a majority of the board
22 of directors whenever in the judgment of such directors the best interests of the
23 corporation will be served. Ordinarily, unexcused absences from two
24 consecutive regular meetings will constitute grounds for removal.

25
26 g) If the Presbyterian Mission Agency Board does not elect a board member or the
27 General Assembly does not confirm the election of a board member, where such
28 election or confirmation is required by the 2014 Deliverance, or the articles of
29 incorporation or these bylaws, this shall result in the creation of a vacancy on
30 the board of directors. Should a vacancy in membership occur, the Stated Clerk
31 of the General Assembly of the Presbyterian Church (U.S.A.) shall be notified
32 of the vacancy by the chair of the corporation, and the process provided by the
33 General Assembly policies and procedures shall be followed to fill the vacancy.

34
35
36 Selections and nominations to the board of directors shall be in conformance with the
37 Deliverance (the "2014 Deliverance") and the *Book of Order* of the Presbyterian Church
38 (U.S.A.). In making nominations and selections for the board of directors, consideration shall be
39 given to the need for individuals who have the requisite qualifications, experience and skill to
40 guide the corporation and carry out its stated purposes.

41
42 Section 4.02. Powers; Personal Liability.

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1
2 (a) The board of directors shall have full power to conduct, manage, and direct the
3 business and affairs of the corporation; and all powers of the corporation, except those
4 specifically reserved or granted to an other body by the 2014 Deliverance or by statute or by the
5 articles of incorporation or these bylaws, are hereby granted to and vested in the board of
6 directors.

7
8 (b) A director of the corporation shall not be personally liable, as such, for monetary
9 damages for any action taken, or any failure to take any action, unless the director has breached
10 or failed to perform the duties of his or her office under 15 Pa.C.S. Subch. 57B and the breach or
11 failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of
12 this subsection shall not apply to the responsibility or liability of a director pursuant to any
13 criminal statute or the liability of a director for the payment of taxes pursuant to local, state or
14 federal law.

15
16 Section 4.03. Organization. The board of directors shall elect annually from among the
17 members of the board a chair of the board, and a vice-chair of the board. At every meeting of
18 the board of directors, the chair, or, in the absence of the chair, the vice chair or a chair chosen
19 by a majority of the directors present, shall preside, and the recording secretary, or, in the
20 absence of the recording secretary, an assistant recording secretary, or in the absence of the
21 recording secretary and the assistant recording secretaries, any person appointed by the chair of
22 the meeting, shall act as recording secretary.

23
24 Section 4.04.

25 Executive and Other Committees. The board of directors shall, by resolution adopted by
26 a majority of the directors in office, establish an Executive Committee of not less than three (3)
27 members, one of whom shall be the chair of the board of directors. By like action, the board
28 may establish one or more other committees or "other bodies" as such term is defined in 15
29 Pa.C.S. §5103 each such other committee or body to consist of two or more directors of the
30 corporation. The chair of the board may be, ex officio, a voting member of each such other
31 committee or body except the nominating committee, and shall nominate the chair of each
32 particular committee or body.

33 The Personnel/Nominating Committee shall nominate the members of the particular
34 committees or bodies for election by the board. Members and chairs shall be elected by the
35 board.

36 The board may designate one or more directors as alternate members of any committee or
37 body, who may replace any absent or disqualified member at any meeting of the committee or
38 body. In the absence or disqualification of a member, and the alternate or alternates, if any,
39 designated for such member, of any committee or body, the member or members thereof present
40 at any meeting and not disqualified from voting, whether or not the member or members

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1 constitute a quorum, may unanimously appoint another director to act at the meeting in the place
2 of any such absent or disqualified member.

3 Each committee or body of the board shall serve at the pleasure of the board. The terms
4 of the chairs of each committee or body of the board shall be limited to not more than three
5 consecutive one-year terms. The Executive Committee shall have and exercise all of the powers
6 and authority of the board of directors in the management of the business and affairs of the
7 corporation, except that the Executive Committee shall not have any power or authority as to the
8 following:

9
10 (1) The submission to members of any action requiring approval of members under
11 the Nonprofit Corporation Law of 1988.

12
13 (2) The adoption, amendment or repeal of the bylaws, or the adoption of any
14 amendment of articles or plan of merger, division or consolidation or the approving of the
15 sale, lease or exchange of all or substantially all of the assets of the corporation or of the
16 dissolution of the corporation.

17
18 (3) The amendment or repeal of any resolutions of the board.

19
20 No committee of the board of directors, other than the Executive Committee, shall
21 pursuant to resolution of the board of directors or otherwise exercise any of the powers or
22 authority vested by these bylaws or the Nonprofit Corporation Law of 1988 in the board of
23 directors as such, but any other committee of the board of directors may make recommendations
24 to the board of directors or Executive Committee concerning the exercise of such powers and
25 authority.

26
27 A majority of the directors in office designated to a committee, or directors designated to
28 replace them as provided in this section, shall be present at each meeting to constitute a quorum
29 for the transaction of business and the acts of a majority of the directors in office designated to a
30 committee or their replacements shall be the acts of the committee.

31
32 Each committee shall keep regular minutes of its proceedings and report such
33 proceedings regularly to the board of directors.

34
35 Article V shall be applicable to committees of the board of directors.

36
37 Section 4.06. Adjunct Members of Committees. To ensure that each committee will have
38 individuals with specific skills and expertise in areas crucial to the committee's work, each
39 committee may recommend adjunct committee members ("Adjunct Committee Member").
40 Nominations for individuals to serve as Adjunct Committee Members shall be received by the
41 Personnel Nominating Committee of the Board and shall be subject to such requirements and

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1 procedures as the Board may establish from time to time. The Personnel/Nominating Committee,
2 in turn, shall nominate these individuals for election by the Board. Adjunct Committee Members
3 shall have the power of voice at committee meetings, but shall not have the power to vote and
4 shall not count toward a quorum at committee meetings. Adjunct Committee Members may
5 attend meetings of the Board by invitation, but shall not have vote and will not count toward a
6 quorum at a Board meeting.

7
8 Adjunct Committee Members shall be elected for a one-year term, with two additional
9 one-year terms permissible. Terms shall begin at the close of the annual meeting of the
10 Corporation each year. Adjunct Committee Members can also serve on advisory committees as
11 described in Section 8.06.

12
13 Section 4.07. Compensation and Expenses. No compensation of any kind shall be paid
14 directly or indirectly by the corporation to, and no loan or other extension of credit shall be made
15 for the benefit of, any director. Directors may be reimbursed for expenses incurred in attending
16 meetings or otherwise in carrying out their duties.

17
18 ARTICLE V

19
20 Notice - Waivers - Meetings

21
22 Section 5.01. Place of Meeting. Meetings of the board of directors may be held at such
23 place within or without Pennsylvania as the board of directors may from time to time appoint, or
24 as may be designated in the notice of the meeting.

25
26 Section 5.02. Regular Meetings. Regular meetings of the board of directors shall be held
27 at such time and place as shall be designated from time to time by resolution of the board of
28 directors; and one such meeting each year shall be designated as a meeting for organization,
29 election of officers and the election of members of the Executive Committee. Members of the
30 Executive Committee and officers may also be elected at any other meeting of the directors. At
31 every regular meeting, the directors shall transact such business as may properly be brought
32 before the meeting.

33
34 Section 5.03. Special Meetings. Special meetings of the board of directors shall be held
35 whenever called by the chair of the board or by three or more of the directors. Notice of each
36 such meeting shall be given to each director by telephone or in writing at least five days in
37 advance of the time at which the meeting is to be held. Every such notice shall state the time and
38 place of the meeting. Special meetings may be held in the manner set forth in Section 5.07.

39
40 Section 5.04. Quorum, Manner of Acting, and Adjournment. A majority of the directors
41 in office shall be present at each meeting in order to constitute a quorum for the transaction of

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1 business. Every director shall be entitled to one vote. Except as otherwise specified in the
2 articles or these bylaws or provided by statute, the acts of a majority of the directors present at a
3 meeting at which a quorum is present shall be the acts of the board of directors. In the absence
4 of a quorum, a majority of the directors present and voting may adjourn the meeting from time to
5 time until a quorum is present. The directors shall act only as a board and the individual
6 directors shall have no power as such, except that any action which may be taken at a meeting of
7 the directors may be taken without a meeting, if a consent or consents in writing setting forth the
8 action so taken shall be signed by all of the directors in office and shall be filed with the
9 secretary of the corporation.

10
11 Section 5.04 Notice, What Constitutes.
12

13 (a) General Rule. Whenever written notice is required to be given to any person under
14 the provisions of these bylaws, or the Nonprofit Corporation Law of 1988, it may be given to the
15 person either personally or by sending a copy thereof by first class or express mail, postage
16 prepaid, or by courier services, charges prepaid, or by facsimile, or by email with confirmation
17 of receipt to his or her address or number supplied by the person to the Corporation for the
18 purpose of notice. If the notice is sent by mail or courier service, it shall be deemed to have been
19 given to the person entitled thereto when deposited in the United States mail or with the courier
20 service for delivery to that person. A notice of meeting shall specify the place, day and hour of
21 the meeting and any other information required by law or these bylaws.

22
23 (b) Adjourned Member Meetings. When a meeting of members is adjourned, it shall not
24 be necessary to give any notice of the adjourned meeting or of the business to be transacted at an
25 adjourned meeting, other than by announcement at the meeting at which the adjournment is
26 taken, unless the board or other body fixes a new record date for the adjourned meeting or notice
27 of the business to be transacted is required by the Nonprofit Corporation Law of 1988 and such
28 notice has not previously been given.

29
30 Section 5.05. Waivers of Notice. Whenever any written notice is required to be given
31 under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, a
32 waiver thereof in writing, signed by the person or persons entitled to the notice, whether before
33 or after the time stated therein, shall be deemed equivalent to the giving of the notice. Except as
34 otherwise required by this section and by Section 8.06, neither the business to be transacted at
35 nor the purpose of a meeting need be specified in the waiver of notice of the meeting.

36
37 Attendance of a person at any meeting shall constitute a waiver of notice of the meeting,
38 except where a person attends a meeting for the express purpose of objecting, at the beginning of
39 the meeting, to the transaction of any business because the meeting was not lawfully called or
40 convened.
41

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1 Section -5.06. Modification of Proposal Contained in Notice. Whenever the language of
2 a proposed resolution is included in a written notice of a meeting required to be given under the
3 articles, these bylaws or the Nonprofit Corporation Law of 1988, the meeting considering the
4 resolution may without further notice adopt it with such clarifying or other amendments as do
5 not enlarge its original purpose.

6
7 Section -5.07. Conference Telephone Meetings. One or more persons may participate in
8 a meeting of the board, a committee of the board or the members by means of conference
9 telephone or similar communications equipment by means of which all persons participating in
10 the meeting can hear each other. Participation in a meeting pursuant to this section shall
11 constitute presence in person at the meeting.

12 13 14 ARTICLE VI

15 16 Officers

17
18 Section 6.01. Number, Qualification and Designation. The officers of the corporation
19 shall be a chair, a vice-chair, a president, one or more vice presidents, a secretary, a treasurer,
20 and such other officers as may be elected in accordance with the provisions of Section 6.02.
21 Officers may but need not be directors of the corporation.

22
23 Section 6.02. Selection and Term of Office. The board of directors of the Corporation
24 shall elect a president for a term of four years, subject to confirmation by the General Assembly.
25 The board of directors may elect one or more vice-presidents, a treasurer, and a secretary for
26 terms of up to four years. The Board of directors may elect other assistant executives. The
27 terms of the offices of the chair of the board and the vice-chair of the board shall be limited to
28 not more than three consecutive one-year terms. All elected and appointed officers and
29 employees are subject to Section 6.04. All officers shall be eligible for reelection.

30
31 Section 6.03. Resignations. Any officer or agent may resign at any time by giving
32 written notice to the board of directors, or to the president, or to the treasurer or the secretary of
33 the corporation. Any such resignation shall take effect at the date of the receipt of such notice or
34 at any later time specified therein and, unless otherwise specified therein, the acceptance of such
35 resignation shall not be necessary to make it effective.

36
37 Section 6.04. Removal. Any elected or appointed officer, committee member, employee
38 or other agent of the corporation may be removed, either for or without cause, by the board of
39 directors or other authority which elected, retained or appointed such officer, committee or other
40 agent whenever in the judgment of such authority the best interests of the corporation will be
41 served thereby, but such removal shall be without prejudice to the contract rights of any person

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1 so removed. The term of any offices held by an employee ends the earlier of the employee's
2 last day of employment or last day in the office.

3
4 Section 6.05. Vacancies. A vacancy in any elective or appointed office because of death,
5 resignation, removal, disqualification, or any other cause, shall be filled by the board of directors
6 in the case of the president the election is subject to confirmation by the General Assembly or by
7 the authority to which the power to fill such office has been delegated pursuant to Section 6.02
8 of this Article, as the case may be, and if the office is one for which these bylaws prescribe a
9 term, shall be filled for the unexpired portion of the term. The refusal of the General Assembly
10 to confirm an election, where such confirmation is required by the 2014 Deliverance, or the
11 articles of incorporation or these bylaws, shall result in the creation of a vacancy in the office
12 affected.

13
14 Section 6.06. General Powers. All officers of the corporation, as between themselves
15 and the corporation, shall have such authority and perform such duties in the management of the
16 corporation as may be determined by resolutions or orders of the board of directors, or, in the
17 absence of controlling provisions in resolutions or orders of the board of directors, as may be
18 provided in the 2014 Deliverance, or the articles of incorporation or these bylaws.

19
20 Section 6.07. The Chair of the Board. Generally, the chair shall preside at all meetings
21 of the members of the board of directors, and shall perform such other duties as may from time
22 to time be requested by the board of directors or the Executive Committee.

23
24 Section 6.07a. The Vice-Chair of the Board. In the absence of the Chair, the Vice-Chair
25 shall perform the duties of the Chair.

26
27 Section 6.08. The President. The president shall be the chief executive officer of the
28 corporation and shall have general supervision over the activities and operations of the
29 corporation, subject, however, to the control of the board of directors. The President shall sign,
30 execute, and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or
31 other instruments, authorized by the board of directors, except in cases where the signing and
32 execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to
33 some other officer or agent of the corporation; and, in general, shall perform all duties incident to
34 the office of president, and such other duties as from time to time may be assigned by the board
35 of directors. The board of directors of the corporation shall cause the president, who shall be the
36 chief executive officer of the corporation, to be accountable to the board of directors for carrying
37 out its policies and directives, and for maintaining an effective partnership with the ministry area
38 designated by the Executive Director of the Presbyterian Mission Agency Board. The board of
39 directors shall ensure that the president maintains an appropriate partnership with the
40 Presbyterian Mission Agency Board through the Office of its Executive Director.

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1 Section 6.09. The Vice Presidents. The vice presidents shall perform the duties of the
2 president in the absence of the president and such other duties as may from time to time be
3 assigned to them by the board of directors or by the president.
4

5 Section 6.10. The Secretary. The secretary or an assistant secretary shall attend all
6 meetings of the members and of the board of directors and shall record all the votes of the
7 members and of the directors and the minutes of the meetings of the members and of the board of
8 directors and of committees of the board in a book or books to be kept for that purpose; shall see
9 that notices are given and records and reports properly kept and filed by the corporation as
10 required by law; shall be the custodian of the seal of the corporation and see that it is affixed to
11 all documents to be executed on behalf of the corporation under its seal; and, in general, shall
12 perform all duties incident to the office of secretary, and such other duties as may from time to
13 time be assigned by the board of directors or the president.
14

15 Section 6.11. The Treasurer. The treasurer shall have or provide for the custody of the
16 funds or other property of the corporation; shall collect and receive or provide for the collection
17 and receipt of moneys earned by or in any manner due to or received by the corporation; shall
18 deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the
19 board of directors may from time to time designate; shall, whenever so required by the board of
20 directors, render an account showing all transactions as treasurer, and the financial condition of
21 the corporation; and, in general, shall discharge such other duties as may from time to time be
22 assigned by the board of directors or the president.
23

24 Section 6.12. Officers' Bonds. Any officer shall give a bond for the faithful discharge of
25 the duties of the officer in such sum, if any, and with such surety or sureties as the board of
26 directors shall require.
27

28 Section 6.13. Salaries. The salaries of the officers elected by the board of directors shall
29 be fixed from time to time by the board of directors or by such officer as may be designated by
30 resolution of the board and shall be in compliance with applicable federal tax laws. The salaries
31 or other compensation of any other officers, employees and other agents shall be fixed from time
32 to time by the officer or committee to which the power to elect such officers or to retain or
33 appoint such employees or other agents has been delegated pursuant to Section 6.02. All salaries
34 shall be consistent with the Churchwide Compensation Guidelines or other future
35 pronouncements of the General Assembly. No full-time officer shall be prevented from
36 receiving such salary or other compensation by reason of the fact that the officer is also a
37 director of the corporation. The chair and vice-chair of the board of directors shall receive no
38 salary or other compensation.
39

40 Section 6.14. Personnel Policies. In regards to personnel matters and policies, the board
41 of directors and the corporation shall adhere to the 2014 Deliverance.

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1
2
3 ARTICLE VII
4

5 Indemnification of Directors, Officers and
6 Other Authorized Representatives
7

8 Section 7.01. Scope of Indemnification.
9

10 (a) The corporation shall indemnify an indemnified representative against any liability
11 incurred in connection with any proceeding in which the indemnified representative may be
12 involved as a party or otherwise, by reason of the fact that such person is or was serving in an
13 indemnified capacity, including, without limitation, liabilities resulting from any actual or
14 alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross
15 negligence or act giving rise to strict or products liability, except:

16
17 (1) where such indemnification is expressly prohibited by applicable law;
18

19 (2) where the conduct of the indemnified representative has been finally determined
20 pursuant to Section 7.06(d) or otherwise:

21
22 (i) to constitute willful misconduct or recklessness within the meaning of 15
23 Pa.C.S. § 5713 or any superseding provision of law sufficient in the circumstances to
24 bar indemnification against liabilities arising from the conduct; or

25
26 (ii) to be based upon or attributable to the receipt by the indemnified
27 representative from the corporation of a personal benefit to which the indemnified
28 representative is not legally entitled; or

29
30 (3) to the extent such indemnification has been finally determined in a final
31 adjudication pursuant to Section 7.06 to be otherwise unlawful.
32

33 (b) If an indemnified representative is entitled to indemnification in respect of a portion,
34 but not all, of any liabilities to which such person may be subject, the corporation shall
35 indemnify such indemnified representative to the maximum extent for such portion of the
36 liabilities.
37

38 (c) The termination of a proceeding by judgment, order, settlement, conviction or upon a
39 plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the
40 indemnified representative is not entitled to indemnification.
41

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1 (d) For purposes of this Article:
2

3 (1) "indemnified capacity" means any and all past, present and future service by an
4 indemnified representative in one or more capacities as a director, officer, employee or
5 agent of the corporation, or, at the request of the corporation, as a director, officer,
6 employee, agent, fiduciary or trustee of another domestic or foreign corporation for profit
7 or not-for-profit, partnership, joint venture, trust, employee benefit plan or other entity or
8 enterprise;
9

10 (2) "indemnified representative" means any and all directors and officers of the
11 corporation and any other person designated as an indemnified representative by the
12 board of directors of the corporation, (which may, but need not, include any person
13 serving at the request of the corporation, as a director, officer, employee, agent, fiduciary
14 or trustee of another domestic or foreign corporation for profit or not-for-profit,
15 partnership, joint venture, trust, employee benefit plan or other entity or enterprise);
16

17 (3) "liability" means any damage, judgment, amount paid in settlement, fine,
18 penalty, punitive damages, excise tax assessed with respect to an employee benefit plan,
19 or cost or expense of any nature (including, without limitation, attorneys' fees and
20 disbursements); and
21

22 (4) "proceeding" means any threatened, pending or completed action, suit, appeal or
23 other proceeding of any nature, whether civil, criminal, administrative or investigative,
24 whether formal or informal, and whether brought by or in the right of the corporation, a
25 class of its security holders, if any, or otherwise.
26

27 Section 7.02. Proceedings Initiated by Indemnified Representatives. Notwithstanding
28 any other provision of this Article, the corporation shall not indemnify under this Article an
29 indemnified representative for any liability incurred in a proceeding initiated (which shall not be
30 deemed to include counter-claims or affirmative defenses) or participated in as an intervenor or
31 amicus curiae by the person seeking indemnification unless such initiation of or participation in
32 the proceeding is authorized, either before or after its commencement, by the affirmative vote of
33 a majority of the directors in office. This section does not apply to reimbursement of expenses
34 incurred in successfully prosecuting or defending an arbitration under Section 7.06(d) or
35 otherwise successfully prosecuting or defending the rights of an indemnified representative
36 granted by or pursuant to this Article.
37

38 Section 7.03. Advancing Expenses. The corporation shall pay the expenses (including
39 attorneys' fees and disbursements) incurred in good faith by an indemnified representative in
40 advance of the final disposition of a proceeding described in Section 7.01 or 7.02 upon receipt of
41 an undertaking by or on behalf of the indemnified representative to repay such amount if it shall

12

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1 ultimately be determined pursuant to Section 7.06(d) that such person is not entitled to be
2 indemnified by the corporation pursuant to this Article. The financial ability of an indemnified
3 representative to repay an advance shall not be a prerequisite to the making of such advance.
4

5 Section 7.04. Securing of Indemnification Obligations. To further effect, satisfy or
6 secure the indemnification obligations provided herein or otherwise, the corporation may
7 maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow,
8 cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a
9 security interest in any assets or properties of the corporation, or use any other mechanism or
10 arrangement whatsoever in such amounts, at such costs, and upon such other terms and
11 conditions as the board of directors shall deem appropriate. Absent fraud, the determination of
12 the board of directors with respect to such amounts, costs, terms and conditions shall be
13 conclusive and shall not be subject to voidability.
14

15 Section 7.05. Payment of Indemnification. An indemnified representative shall be
16 entitled to indemnification within 30 days after a written request for indemnification has been
17 delivered to the secretary of the corporation.
18
19

20 Section 7.06. Indemnification Procedure.

21
22 (a) An indemnified representative shall use such indemnified representative's best efforts
23 to notify promptly the secretary of the corporation of the commencement of any proceeding or
24 the occurrence of any event which might give rise to a liability under this Article, but the failure
25 so to notify the corporation shall not relieve the corporation of any liability which it may have to
26 the indemnified representative under this Article or otherwise.
27

28 (b) The corporation shall be entitled, upon notice to any such indemnified representative,
29 to assume the defense of any proceeding with counsel reasonably satisfactory to the indemnified
30 representative, or a majority of the indemnified representatives involved in such proceeding if
31 there be more than one. If the corporation notifies the indemnified representative of its election
32 to defend the proceeding, the corporation shall have no liability for the expenses (including
33 attorneys' fees and disbursements) of the indemnified representative incurred in connection with
34 the defense of such proceeding subsequent to such notice, unless (i) such expenses (including
35 attorneys' fees and disbursements) have been authorized by the corporation, (ii) the corporation
36 shall not in fact have employed counsel reasonably satisfactory to such indemnified
37 representative or indemnified representatives to assume the defense of such proceeding, or (iii) it
38 shall have been determined pursuant to Section 7.06(d) that the indemnified representative was
39 entitled to indemnification for such expenses under this Article or otherwise. Notwithstanding
40 the foregoing, the indemnified representative may elect to retain counsel at the indemnified
41 representative's own cost and expense to participate in the defense of such proceeding.

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1
2 (c) The corporation shall not be required to obtain the consent of the indemnified
3 representative to the settlement of any proceeding which the corporation has undertaken to
4 defend if the corporation assumes full and sole responsibility for such settlement and the
5 settlement grants the indemnified representative an unqualified release in respect of all liabilities
6 at issue in the proceeding. Whether or not the corporation has elected to assume the defense of
7 any proceeding, no indemnified representative shall have the right to enter into any full or partial
8 settlement of the proceeding without the prior written consent of the corporation (which consent
9 shall not be unreasonably withheld), nor shall the corporation be liable for any amount paid by
10 an indemnified representative pursuant to any settlement to which the corporation has not so
11 consented.
12

13 (d) Any dispute related to the right to indemnification, contribution or advancement of
14 expenses as provided under this Article shall be decided only by arbitration in the metropolitan
15 area in which the principal executive offices of the corporation are located, in accordance with
16 the commercial arbitration rules then in effect of the American Arbitration Association, before a
17 panel of three arbitrators, one of whom shall be selected by the corporation, the second of whom
18 shall be selected by the indemnified representative and the third of whom shall be selected by the
19 other two arbitrators. In the absence of the American Arbitration Association, or if for any
20 reason arbitration under the arbitration rules of the American Arbitration Association cannot be
21 initiated, and if one of the parties fails or refuses to select an arbitrator, or the arbitrators selected
22 by the corporation and the indemnified representative cannot agree on the selection of the third
23 arbitrator within 30 days after such time as the corporation and the indemnified representative
24 have each been notified of the selection of the other's arbitrator, the necessary arbitrator or
25 arbitrators shall be selected by the presiding judge of the court of general jurisdiction in such
26 metropolitan area. The party or parties challenging the right of an indemnified representative to
27 the benefits of this Article shall have the burden of proof. The corporation shall reimburse an
28 indemnified representative for the expenses (including attorneys' fees and disbursements)
29 incurred in successfully prosecuting or defending such arbitration. Any award entered by the
30 arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by
31 any party in accordance with applicable law in any court of competent jurisdiction, except that
32 the corporation shall be entitled to interpose as a defense in any such judicial enforcement
33 proceeding any prior final judicial determination adverse to the indemnified representative under
34 Section 7.01(a)(2) in a proceeding not directly involving indemnification under this Article.
35 This arbitration provision shall be specifically enforceable.
36

37 (e) Upon a payment to any indemnified representative under this Article, the corporation
38 shall be subrogated to the extent of such payment to all of the rights of the indemnified
39 representative to recover against any person for such liability, and the indemnified representative
40 shall execute all documents and instruments required and shall take such other action as may be

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1 necessary to secure such rights, including the execution of such documents as may be necessary
2 for the corporation to bring suit to enforce such rights.

3
4 Section 7.07. Discharge of Duty. An indemnified representative shall be deemed to have
5 discharged such person's duty to the corporation if he or she has relied in good faith on
6 information, advice or an opinion, report or statement prepared by:

7
8 (1) one or more officers or employees of the corporation whom the indemnified
9 representative reasonably believes to be reliable and competent with respect to the matter
10 presented;

11
12 (2) legal counsel, public accountants or other persons as to matters that the
13 indemnified representative reasonably believes are within the person's professional or
14 expert competence; or

15
16 (3) a committee of the board of directors on which he or she does not serve as to
17 matters within its area of designated authority, which committee he or she reasonably
18 believes to merit confidence.

19
20 Section 7.08. Mandatory Indemnification of Directors, Officers, etc. To the extent that a
21 director, officer, employee or agent of the corporation has been successful on the merits or
22 otherwise in defense of any action, suit or proceeding referred to in 15 Pa.C.S. § 5741 or § 5742
23 or in defense of any claim, issue or matter therein, such person shall be indemnified against
24 expenses actually and reasonably incurred by such person in connection therewith.

25
26 Section 7.09. Contract Rights; Amendment or Repeal. All rights under this Article shall
27 be deemed a contract between the corporation and the indemnified representative pursuant to
28 which the corporation and each indemnified representative intend to be legally bound. Any
29 repeal, amendment or modification hereof shall be prospective only and shall not affect any
30 rights or obligations then existing.

31
32 Section 7.10. Scope of Article. The rights granted by this Article, shall not be deemed
33 exclusive of any other rights to which those seeking indemnification, contribution or
34 advancement of expenses may be entitled under any statute, agreement, vote of members or
35 disinterested directors or otherwise, both as to action in an official capacity and as to action in
36 any other capacity. The indemnification, contribution and advancement of expenses provided by
37 or granted pursuant to this Article shall continue as to a person who has ceased to be an
38 indemnified representative in respect of matters arising prior to such time, and shall inure to the
39 benefit of the heirs, executors, administrators and personal representatives of such a person.

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1 Section 7.11. Reliance on Provisions. Each person who shall act as an indemnified
2 representative of the corporation shall be deemed to be doing so in reliance upon the rights of
3 indemnification, contribution and advancement of expenses provided by this Article.

4
5 Section 7.12. Interpretation. The provisions of this Article are intended to constitute
6 Bylaws authorized by 15 Pa.C.S. § 5746(a).

7
8
9 ARTICLE VIII

10
11 Miscellaneous

12
13 Section 8.01. Corporate Seal. The corporation shall have a corporate seal in the form of
14 a circle containing the name of the corporation, the year of incorporation and such other details
15 as may be approved by the board of directors.

16
17 Section 8.02. Checks. All checks, notes, bills of exchange or other orders in writing
18 shall be signed by such one or more officers or employees of the corporation as the board of
19 directors may from time to time designate.

20
21 Section 8.03. Contracts. Except as otherwise provided in these bylaws, the board of
22 directors may authorize any officer or officers, agent or agents, to enter into any contract or to
23 execute or deliver any instrument on behalf of the corporation, and such authority may be
24 general or confined to specific instances.

25
26 Section 8.04. Deposits. All funds of the corporation shall be deposited from time to time
27 to the credit of the corporation in such banks, trust companies, or other depositories as the board
28 of directors may approve or designate, and all such funds shall be withdrawn only upon checks
29 signed by such one or more officers or employees of the corporation as the board of directors
30 shall from time to time designate. The name or accounts to which such deposits are made, and
31 the name of the corporation on checks drawn against such accounts may be "Stony Point Center
32 for Justice, Peace, and Nonviolence, Inc.", and may include such other words including the
33 name of the corporation and an appropriate designation to identify by purpose or otherwise.

34
35 Section 8.05. Annual Report of Directors. The board of directors shall direct the
36 president and treasurer to present at a regular meeting of the board in every year a report,
37 verified by such officer, showing in appropriate detail the following:

38
39 (1) The assets and liabilities, including the trust funds, of the corporation as of the
40 end of the fiscal year immediately preceding the date of the report.

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1 (2) The principal changes in assets and liabilities including trust funds, during the
2 year immediately preceding the date of the report.

3
4 (3) The revenue or receipts of the corporation, both unrestricted and restricted to
5 particular purposes, for the year immediately preceding the date of the report, including
6 separate data with respect to each trust fund held by or for the corporation.

7
8 (4) The expenses or disbursements of the corporation, for both general and restricted
9 purposes, during the year immediately preceding the date of the report, including separate
10 data with respect to each trust fund held by or for the corporation.

11
12 (5) The number of members of the corporation as of the date of the report, together
13 with a statement of increase or decrease in such number during the year immediately
14 preceding the date of the report, and a statement of the place where the names and
15 addresses of the current members may be found.

16
17 The annual report shall be filed with the minutes of the meeting of the board and shall be
18 transmitted to the General Assembly through the Presbyterian Mission Agency Board.

19
20 Section 8.06. Advisory Committees. The board of directors may establish one or more
21 advisory committees whose members not be directors. Advisory committees are not committees
22 of the board and may not exercise the powers of the board of directors, but shall be restricted to
23 giving advice and making non-binding recommendations to the board of directors or the
24 Corporation and implementing board decisions and policies under the supervision and control of
25 the board of directors or a committee of the board.

26
27 Section 8.06. Amendment of Bylaws. These bylaws may be amended or repealed, or
28 new bylaws may be adopted, either (i) by the action of a majority of directors present and voting
29 at any regular or special meeting of the board of directors at which a quorum is present, if ten
30 days' written notice of such proposed amendment, repeal or new bylaws is given to each director
31 or (ii) by the action at any regular meeting of the board of directors of a majority of all of the
32 directors in office, where no notice of such proposed amendment, repeal or new bylaws has been
33 given.

34
35 Any such amendment, repeal or new bylaws shall be consistent with the Form of
36 Government of the Presbyterian Church (U.S.A.) and with the directions from time to time of the
37 Presbyterian Mission Agency Board or the General Assembly. The substance of any proposed
38 amendment, repeal or new bylaws shall first be approved by the Presbyterian Mission Agency
39 Board.

40

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1 All such actions taken to adopt, amend, or repeal the bylaws are subject to the sole
2 member's ability to change such action in accordance with 15 Pa.C.S.§5504.
3
4

The Report of The Stony Point Transitional Task Team to the Presbyterian Mission Agency Board September 26, 2013

I. Introduction and Preview

The Stony Point Center Transitional Task Team has met extensively since its appointment by the Presbyterian Mission Agency Board on September 21, 2012. Our year of work has been comprehensive, fruitful and quality driven. The report and recommendations constitute a full review and study of the initial proposal approved in 2012 by the Presbyterian Mission Agency Board.

The representation of the Transitional Task Team (TTT) membership is on the preceding Motion Page. Information on the individual members of the Team and what they bring to the table to accomplish this review are detailed in Section III of this report.

The following documents provide background and are attached for review by members of the Presbyterian Mission Agency Board (PMA Board):

- A. "Justification Criteria for Incorporation" (Section II - page 1)
- B. Members of the Transitional Task Team (Section III - page 9)
- C. 2013 Stony Point Center Business Plan (updated) (Section IV - page 11)
- D. Draft of proposed Lease (for information only) (Section VI - following)
- E. SPC's Progress with September 2012 Benchmarks (Section V - following)
- F. Other materials (following)

II. Justification Criteria for Incorporation

A. Concerning the necessity of separate corporation

1. What is the intended mission of the proposed corporation?

The proposed Stony Point Corporation will operate and occupy the Stony Point properties primarily as a mission enterprise of the PC(USA), reaching out in ecumenical/interfaith cooperative peacemaking. The corporation will function in accordance with PC(USA) commitments to peacemaking, consistent with the terms of gifts of the existing properties, and subject to the regulations and exposure existing under the civil authority of New York and its laws.

In addition to education and conferencing, the primary activities will comprise a broad range of hospitality services for the diverse population of a great metropolitan area and a growing national exposure.

2. How is separate incorporation required to accomplish that mission, or how necessary to accomplish it better?

- A) Separate incorporation is necessary to insulate to the extent legally possible the PC(USA) from potential liabilities arising from providing services to a broader population than typical for a PC(USA) institution operating for a primarily Presbyterian-focused Christian experience.
- B) Separate incorporation also provides, to an extent otherwise unavailable, a potential for broad fund-raising from non-PC(USA) sources interested in multi-faith peacemaking.
3. Are there ways to achieve this goal without separate incorporation?
Absent separate incorporation, it is impossible to provide liability insulation for the Presbyterian Mission Agency or the broader PC(USA), and highly unlikely to yield any practical path toward independent fund-raising.
4. If challenges within current PMA/PC(USA), A Corp. operations are a primary reason to form the new corporation, show why those challenges cannot be remedied within the current operations.
This proposal, approved September 2012, was not based upon any operational shortcomings in the current relationship between PMA and Stony Point. However, it must be noted the existing provision of certain services to Stony Point operations without the highlighted charge and the treatment of past expenses of Stony Point as accumulating debt and a corresponding accumulating credit for PMA are examples of present operational accounting practices masking the actual costs of Stony Point. Separate incorporation will highlight with more clarity Stony Point operational costs.
5. What specific advantages and disadvantages of incorporation do you foresee?
The major advantage of deliverance and separate incorporation would be for the General Assembly to clearly and explicitly establish a forward and outward looking mission for Stony Point and provide the legal framework to support that mission in a prudent manner. Additionally, future liability exposure would be reduced, fund-raising potential would greatly increase, administrative efficiency would be enhanced and the mission of Stony Point would be advanced.

B. Concerning the impact on the remaining church structure as an institution

1. To what extent will the proposed corporation rely on its image and connections as a Presbyterian entity to attract support?
- A) The Presbyterian connection of Stony Point has been foundational for its ministry development over the years. That deep connection will continue to provide a sound base on which to grow other relationships necessary for the success of the new corporate purpose.
- B) The PC(USA) will benefit, and will offer a significant resource toward the formation of a broad, multi-faith movement for peace and justice. The PC(USA) will be devoting this rich resources and legacy of Stony Point in crossing theological boundaries and building strong relationships with that movement.

2. Will the proposed corporation draw support away from other Presbyterian ministries and causes remaining within the PMA structure?
 - A) This is certainly not the intent nor is it likely to happen. The goal is a partnership of Stony Point to develop a broad range of ministries enhancing and expanding outreach and opening new and untapped sources of support.
 - B) In addition, from a fiscal standpoint, forming the new corporation and discontinuing the “debt” accumulation will, to that extent, reduce future reductions of support for other vital PMA ministries.
3. Will the proposed corporation draw support away from other General Assembly agencies or entities?

The same benefit of incorporation applies to all General Assembly agencies and entities as it does to PMA ministries and programs.
4. How would the larger voice of the new corporation alter the relationship and voice of other (perhaps smaller and less popular or visible) parts of the PMA's mission?
 - A) We expect the work of the new corporation will enhance and support voices of the office on interfaith relationships, leadership development, and the ministries of compassion, peace and justice of PMA. It will also provide untapped opportunities for developing new partnerships.
 - B) We will strengthen the PMA mission goals of Transformational Leaders, Compassionate Prophetic Discipleship, 1001 New Worshiping Communities, Young Adults, and General Assembly Engagement. Examples include consultation with young adults on intentional community development (1001, Young Adult and Compassionate Prophetic Discipleship) the writing GACERS paper on interfaith relations (Transformational Leadership and Compassionate Prophetic Discipleship), Young Adult Volunteer Program Leadership retreats (Transformational Leaders and Young Adult), leadership summit on immigration policy (Transformational Leaders).
5. How will the mission of those PMA ministries related to the new corporation's ministry but not included in the new corporation continue, and what impact will the new corporation have on their funding streams?
 - A) We are excited about the ways in which this new corporation will raise the profile of the Presbyterian Church (USA) in positive ways, both among our denomination's membership and among partners in other faith traditions.
 - B) We deeply embrace a theology of abundance, and expect that as we create new ways to follow the movement of the Holy Spirit, God will grow resources to carry out the witness of the new corporation, the other entities of the church, and the far-broader multi-faith movement for peace and justice.

6. To what extent would the proposed corporation be independent of the PMA's overall coordination of communications, funds development, program implementation, and mission strategy?

As is detailed in the corporate documents, the new corporation will be responsible for its own communications, funds development, program implementation, and mission strategy. In addition, as a constituent member of the General Assembly, the new corporation will coordinate and partner in the efforts of all GA agencies in these areas.

C. Concerning the impact on the church's integrity as a faithful, prophetic, and theologically sound part of the Body of Christ.

1. How would the proposed corporation affect the theological and missiological understandings of how the church engages in these aspects of its mission?

Theologically, there is strong rationale for the Presbyterian Church (USA) to offer Stony Point Center as a resource for faithful, prophetic and theologically sound ministries of the body of Christ. Presbyterians believe that we are called into the world, and that our experience in the world continuously shapes our understanding of God, ourselves, and who God is calling us to be.

At its heart, this to embrace the Reformed Tradition. Always we have been a missional people, called to reach across borders both to share with others what we believe about the transformative power of the Gospel story, while we are continually being remade in the process of doing so. This is the transforming power of the Gospel at work.

2. Would the proposed corporation in any way enhance the church's prophetic witness?
Over the years, our General Assemblies have consistently reaffirmed our mandate of reaching out to others in a way that is solid in our own convictions, while open to the theological principle that God is not finished with us yet.

In recent decades, as we have considered our relationships with those of other religious traditions, we reaffirm our commitment to live in the tension between sharing the Good News of who Jesus is, while respecting difference and recognizing that God is at work in and through other traditions as well.

That tension, a gift to us as inheritors of the Reformed Tradition, is crucial in our country's rapidly changing religious and cultural context; more so today than it has ever been. As Christians, we are in a sea change in the way we fit into U.S. culture. The days are over when we were dominant and others were defined in relation to us.

In this milieu, Presbyterians are uniquely equipped to help build a genuinely open and religiously pluralistic society. Stony Point Center offers a laboratory

to hone needed skills and build honest, respectful relationships across what are now deep boundaries of religious difference.

3. Would the proposed corporation in any way threaten the church's prophetic witness or supplant it for either party with the logic of the marketplace?

On the contrary, it strengthens the church's prophetic witness!

The foundations of Presbyterian Polity make clear we are not to be governed by the logic of the marketplace, but rather by the life, death, and resurrection of Jesus Christ. In Book of Order F-1.0301 we read:

"The Church is the body of Christ. Christ gives to the Church all the gifts necessary to be his body. The Church strives to demonstrate these gifts in its life as a community in the world (1 Cor. 12:27-28): The Church is to be a community of faith, entrusting itself to God alone, even at the risk of losing its life."

4. What impact would the proposed corporation have on partnership at all levels, including with other GA agencies, with middle governing bodies, with ecumenical partnerships, and with international partner churches?

This corporation is designed to extend and strengthen partnership at every level in our denomination - across ministries of the PMA, the Synod of the Northeast, the General Assembly, and presbyteries/congregations throughout our denomination.

In terms of our ecumenical and interfaith partners, this effort is likely to mark the PC(USA) as an effective partner devoting significant resources to a broad movement for peace and justice, honoring historic values affirmed by each of our traditions. Further, PC(USA) partner churches around the world will look toward religious communities of the United States to model what partnership looks like in a religiously pluralistic society.

D. Viability Criteria

Almost all of the questions in this area regarding criteria for incorporation were answered in the 2012 Stony Point Center Business Plan, completed in August of 2012 and presented to the PMA Board in September 2012 as integral to the Task Force report. The 2013 Business Plan is attached to be made a part of this report.

1. What are the clearly defined objectives of the corporation?

To manage Stony Point Center in a fiscally responsible manner that upholds and undergirds Presbyterian Witness, builds leadership in the Presbyterian Church (USA), nurtures a multi-faith community committed to providing hospitality and strengthens a shared multi-faith movement for Justice, Peace, Compassion and Nonviolence.

2. Will it require continued support from the denomination?

As a constituent corporation of the PC(USA), the objective is independent management of Stony Point Center according to Presbyterian values, with a

specific objective of offering the resources of the Center to a broader, multi-faith movement for justice, peace and non-violence. Stony Point Center will function independently from the PMA in terms of its administration and finances. If mutually beneficial, the Center may contract with the PMA for some administrative services.

3. What are the corporation's short and long-term funds development plans?
 - A) Stony Point Center's 2013 Business Plan provides abundant details on funds development including measurable benchmarks to judge its ability to function independently. The Business Plan contains specific strategies and benchmarks.
 - B) In summary, there are two ways SPC creates income:
 - (1) through fee for service from conference center use,
 - (2) through donor-based fund-raising.By 2017, the goal raises SPC's occupancy rate from twenty-one percent to twenty-nine percent, and raises the amount of annual donations from approximately \$70,000 to approximately \$200,000 (an increase of 25% to 30% per year). Experience and extensive studies undergird and affirm this estimate.
4. What place would the corporation realistically expect to take among the other organizations in the field it has chosen?
 - A) In building multi-faith relationships, there are few - if any - known attempts at creating a long-term, multi-faith, residential community. The vision for the community has been developed through direct experience over the past five years. We anticipate this effort at intentional community will continue to grow and change in response to learnings that can only take place with a maturity coming from experience and the passage of time.
 - B) By developing a reputation as home to the faith-based movement for justice, peace and non-violence, SPC reclaims and builds on a sixty-year legacy of similar work that been in the progress of Stony Point since the Gilmor sisters made their initial gift of property in 1949.
 - C) In operating the conference center, SPC has clearly identified a niche in providing simple accommodations with excellent, locally sourced food, service for retreats and conferences in the greater New York metro area.
 - D) Increasingly as the reputation of Stony Point grows, we experience people coming from north and south and east and west to participate in this unique mission. SPC is clearly gaining in national exposure.
5. How would the experience of others in that field inform the plans of the proposed corporation?

The plan for independent incorporation that carries out the specific mission of Stony Point Center has been developing over the past two years. The two PMA

Board appointed teams,¹ have found themselves greatly informed by the experience of other Presbyterian camp and conference centers, advocacy organizations, other non-Presbyterian conference centers, and colleagues in the multi-faith movement for nonviolence - particularly the Fellowship of Reconciliation and its constituent organizations.

6.. Property Ownership

There will be no change to the current ownership of the multiple parcels of land that make up the property. Long-term leases will be established to strengthen the viability of the constituent corporation and its ability to secure long-term favorable rates for services.

7. What is the business plan? The 2013 Business Plan is part of this report.

A) The Stony Point Center Mission Statement:

"Stony Point Center, modeling the love of Jesus, welcomes people of all faiths and nations to discern, discover, learn and lead. Together, bold dreamers experience the movement of God's Spirit to create pathways to peace, nonviolence and justice.

Stony Point Center is an Open Space. . .

- . Welcoming All People
- . Discerning God's Call to Faithful Action
- . Building Community that Crosses Boundaries
- . Nurturing Leaders who transform the World
- . Learning to Live in Harmony with Creation
- . Sharing Sacred Spiritual Practices
- . Creating Pathways to Peace, Nonviolence and Justice"

B) Start Up Capital:

SPC will need two kinds of capital in order to thrive.

- 1) First is the equivalent of six months operating budget in order to handle variations in cash flow that naturally occur in the conference center business. This would be \$900,000 to \$1,000,000 cash reserve, given the current budget.
- 2) The second is an investment of roughly 1.5 million dollars in capital improvements for the property that will need to be made over the next five years to seven years.
- 3) As outlined in the 2013 Business Plan, roughly half of the cash reserve will be developed through efficient operation of the property. The other half

¹ The PMA Board appointed the Stony Point Task Force in September 2011. The Stony Point Transitional Task Team was appointed in September 2012 as a team to review the proposal.

will be sought as a line of credit likely to be offered or secured by mid-level governing bodies in the PC(USA).

- 4) Capital Improvements will be made on a "pay as you go" basis through operating income, funds development and cost savings from operational and energy improvements.
- C) Staffing and Support Structure:
All governance, staff, and volunteers of the Stony Point Center Corporation will be the responsibility of the Stony Point Center Board of Directors. Some administrative tasks may be contracted from the PMA (at SPC's expense), if such an arrangement is deemed to be mutually beneficial.
- D) Diversity and inclusivity policies and plans:
SPC enthusiastically meets and exceeds all guidelines for inclusivity and diversity guidelines of the PC(USA).
- E) Projected five-year balance sheet:
Please refer to the 2013 Stony Point Center Business Plan for revenue and expense reporting 2008 - 2012 actuals and 2013 - 2017 five year projection.
- F) Details of the proposed fiduciary relationship between the new corporation and the PMAB and/or PC(USA).
The proposed SPC Corporation will be a subsidiary constituent corporation of the PC(USA), with oversight of it's governing board provided by the PMA Board. It will be managed entirely independently from - and at no expense to - any other constituents of PC(USA) A Corp.
- G) Identify Funding Sources:
See above.
- H) What additional Governmental regulations will apply:
The regulations regarding incorporation of the State in which the new corporation is legally incorporated and registered, and the laws and regulations of New York State where SPC operations apply.
- I) Insurance Coverage:
The 2013 Business Plan calls for a thorough investigation of all appropriate risk management necessary to protect the new corporation and it's parent corporation, PC(USA) A Corp. SPC will meet or exceed all insurance requirements as articulated in the lease.
- J) Is the business cost clearly defined?
Yes. See the 2013 Stony Point Business Plan.

III. Membership of the Transitional Task Team

The Transitional Task Team is grateful for the opportunity to serve as a review team for the 2012 Proposal approved by the Board. The TTT has used its combined expertise and experience in the preparation of this report and recommendations.

Gary Batty

Consultant on Change, Leadership Development and Fund Raising
Customer Service sales manager, western half of U.S.
Executive Director for camp and conference centers
Vice President for Operations & Program, Presbyterian Mo-Ranch
Stony Point Governing Board

Melissa DeRosia - Chair of the TTT

Elected member PMA Board with voice and vote
Strategic Advisory Group of the PMA Board
Restricted Funds Oversight Committee
Pastor/ Head of Staff Gates Presbyterian Church Rochester, NY
Committee on Ministry Presbytery of Genesee Valley
Former Moderator Presbytery of Lake Huron

Jack Hodges

Elected member PMA Board with voice and vote
Jinishian Foundation Commission
Presbytery Executive Emeritus, Cascades Presbytery
Served on the following Boards:
Oregon Legal Services; Oregon Habitat for Humanity (incorporated during service on the Board); Ecumenical Ministry of Oregon; Bishops and Executives Forum.
Chair of the Yamhill Country Citizen's Convention (government county-wide sponsored group that establish a strategic plan for county commissioners)
Treasurer of Neighborhood Association, City of Portland, OR.

Mark Johnson

Stony Point Governing Board

Kears Pollock

Elected member PMA Board with voice and vote
PMA Board elected representative to Stony Point
Extensive experience in Presbytery (including Moderator of Presbytery)
Past service on various municipal and public school boards and not for profit boards
Currently Life Trustee - Board of Trustees of Carnegie-Mellon University
Retired executive PPG Industries
Currently LP and advisor private equity
Engineer and attorney

Cass Shaw

Stony Point Center Board, Chair of the Board
Chaired 4 non-profit Boards
Created a national theological education center

General Presbyter, Albany Presbytery
Covenant Presbyterian Insurance Program, Co-Chair

Kathy Trott

PMA Board, one of four At-Large Members
At-Large member of Finance Committee with voice and vote on the committee
Banking experience as well as Human Relations/Personnel recruitment
Extensive experience in Presbytery and Synod Leadership

Staff:

Martha Clark - General Counsel
Brian Frick - Associate for Camps & Conferences
Kitty Ufford-Chase - Co-Director, Stony Point
Rick Ufford-Chase - Co-Director, Stony Point



STONY POINT CENTER

2012 BUSINESS PLAN

Submitted to

Stony Point Center Task Force
Presbyterian Mission Agency Board
August 1, 2012 - Updated August 23, 2013

EXECUTIVE SUMMARY

The Governing Board of Stony Point Center (SPC) met from April 16 - 18, 2012, and again on July 17, 2012, to consider the emerging recommendations of the Presbyterian Mission Agency Board's (formerly GAMC's) "Task Force to Study the Viability of Stony Point Center." After significant consideration and prayer together, in April the Governing Board voted unanimously to respond affirmatively to the recommendations.

The business plans submitted by SPC to the General Assembly Mission Council (GAMC) over the past four years have been consistent and effective, even as SPC made small changes to reflect the dynamic context in which the Center does ministry. SPC has been meeting its benchmarks, improving the bottom line, and increasing occupancy rates. **This Business Plan responds directly to and supports the Task Force's recommendation that SPC and the Presbyterian Mission Agency Board (PMAB) of the Presbyterian Church (USA) move intentionally toward independent incorporation by SPC, if the way be clear.**

The vision for the next generation at SPC has crystalized over the past four years. SPC has always been a place of pushing boundaries to explore what God has in store for God's people. Thirty years from now, when the history is told of how a multifaith movement for justice, peace and nonviolence came to be in the early part of the 21st Century, the Board expects that SPC will figure prominently in that history, having provided a place of encounter where leaders of the

movement came to meet one another and to strategize together about how to respond in bold ways to the challenges that confront people of all faith traditions in our time. If we accomplish that goal, the PC (USA) will have offered a great gift to the broader faith community, one that is informed by our historic values as a reformed Christian community committed to modeling the love of God, the witness of Jesus, and the powerful movement of the Holy Spirit in the world.

This document offers a business plan to make SPC financially viable, with the goal of creating an organization strong enough to live into that dream. The plan offers a review of SPC's history and current mission, examines the last four years of SPC's financial statements as well as projected income and expense for the coming five years, addresses issues of corporate governance, and suggests specific new benchmarks that SPC will meet in funds development, marketing, program development, and administration. It also specifies the assumptions that the SPC Governing Board has made in developing this plan.

The Governing Board of SPC has repeatedly re-affirmed our commitment to do our work in a way that honors and furthers the witness of the PC (USA) in the world. Though it has been our intention to do that work as an integral part of the Presbyterian Mission Agency (PMA), we are aware of the challenges that this creates - both for the PC(USA) and for SPC.

The Governing Board of SPC concurs with the assessment that operating a conference center is not one of the core activities or competencies of the PMA. However, we believe that the ministry of SPC is intrinsic to the mission and core values of the PC (USA). Our alignment with the mission of the PC (USA) is fundamental. We pour ourselves, our time, talent, and substance, into this ministry because as Presbyterians we believe it represents the best of our faith and witness. We have prayed and discussed the pros and cons of the Task Force's recommendations at length and believe that they have identified the best way forward. We are ready to dedicate ourselves to making SPC succeed and prosper as an independent corporation. Like the elected members and the staff of the PMA, we live in hope. We trust that the relationships of confidence we have re-established over the last four years will help assure that our connections to the PMAB and the larger church will remain strong.

MISSION ALIGNMENT

SPC's ministry and mission have always been, and will continue to be, closely aligned with that of the PMAB, whose role is to inspire, equip and connect. In 2010 the GAMC (now PMAB) affirmed the following foci:

The GAMC will engage in communities of mission practice — focusing on "multi-party" partnerships to advance mission.

The property on which SPC resides was initially gifted to the Board of Foreign Missions of the Presbyterian Church in the United States of America. At various moments in its history, the property has been used as an international conference center focused on relationships with mission partners from around the world, an ecumenical Mission Orientation Center to train mission workers for service, the Stony Point Center for Education and Mission, and a full-service

conference center catering to the increasingly diverse church community in the New York metropolitan area. September 25-27, 2013
Stony Point Transitional Task Team
Section IV/Item A.103

The responsible management of SPC is not our ultimate goal; it is a means to an end. As the Center is managed well and is fiscally responsible, it will provide the fertile ground in which to seed a movement for justice and peace that builds on the work of the missionaries who have gone before us, support the renewal of the PC (USA), and promote partnerships with Christians and people of other faith traditions around the world.

The GAMC will focus on the health of congregations and other communities of faith — focusing time and effort "to bring the most impact to the health and vibrancy of the local congregation."

The Good News of the Gospel is good news for those who are searching for wholeness in their lives, good news for a world in which injustice abounds, and good news as we seek to be in dialogue and community with our neighbors of other faith traditions.

1. Evangelism is an essential part of the witness of SPC. We provide a place apart for study, prayer and engagement and we rejoice to see lives transformed as those who are searching for meaning become disciples of Jesus.¹
2. We are called to stand against the powers and principalities which govern this world, working to create just, equitable and peaceful structures in our churches, communities and world.
3. As we engage our multifaith neighbors in a religiously pluralistic world, we know that only deep, respectful dialogue with one another can transform our relationships and pave the way to peace.²

Evangelism, social justice, and respectful relationships with neighbors of other faiths are inextricably intertwined in a healthy, vibrant church. Therefore, our work is to support a renewed vision of what the church can be and to encourage the formation of both new and renewed faith communities that offer meaningful healing in a broken world.

We affirm a special commitment to reach out to and support young adults who are searching for a way to connect their spiritual lives with their work in the world, and partner with them as they seek to reform the church. This is work that we expect will radically alter how the church understands itself and that is likely to challenge all of us in the process.

The GAMC will focus on leadership development — helping all church leaders develop "core competencies."

SPC is nurturing leaders who transform the world. Through mission orientations, leadership development seminars, young adult internships and long term fellowships, our mission is to nurture a new generation of leaders. Our efforts focus on both Christian disciples and those from other faith traditions with whom we share core, life-affirming values, who have the passion to

respond prophetically to a hurting world and the skills to do that work well in our increasingly multicultural, pluralistic reality - both here in the United States and around the world. September 25-27, 2013
Stony Point Transitional Task Team
Section IV/Item A.103

The GAMC will embrace a global perspective — focusing on "global discipleship with local, national, and international components" and "working to reduce distance between the different spaces of mission."

The Governing Board of SPC has been developing a vibrant, fully inclusive and welcoming facility that honors the legacy of the initial gift from the Gilmore sisters and the four generations who have come before us. In many ways, the world has come to us, and the boundaries between cultural and religious traditions that Christians must navigate today are right here in SPC's backyard. In the fall of 2008, as the Governing Board shaped the vision for the fifth generation at SPC, we wrote a new mission statement that continues to guide our work today:

Stony Point Center, modeling the love of Jesus, welcomes people of all faiths and nations to discern, discover, learn and lead. Together, bold dreamers experience the movement of God's Spirit to create pathways to peace, nonviolence and justice.

Stony Point Center is An Open Space...

- Welcoming All People
- Discerning God's Call to Faithful Action
- Building Community that Crosses Boundaries
- Nurturing Leaders who Transform the World
- Learning to Live in Harmony with Creation
- Sharing Sacred Spiritual Practices
- Creating Pathways to Peace, Nonviolence and Justice

As we work together to create this unique combination of a viable business, a vibrant, multi-religious community, and a center for the training of faith-based activists who are committed to nonviolence, the story of Jesus' interaction with the Syrophonecian woman (Mark 7:24-30) keeps us centered on our core principles. We note that Jesus constantly crossed boundaries and interacted with those from other traditions and across barriers of race, gender and class - in this instance allowing his ideas to be changed dramatically and responding directly to the woman's need. Therefore we affirm in the words of the Brief Statement of Faith:

"In a broken and fearful world the Spirit gives us courage to pray without ceasing, to witness among all peoples to Christ as Lord and Savior, to unmask idolatries in Church and culture, to hear the voices of peoples long silenced, and to work with others for justice, freedom, and peace."

ASSUMPTIONS UNDERLYING THIS BUSINESS PLAN

Our endorsement of the proposal by the Task Force and our business plan is based upon the following assumptions.

1. Upon approval from the PMAB at their September 2012 meeting, PMAB and SPC will begin laying the groundwork to establish SPC as an independent 501(c)(3) corporation.
2. The transition to an independent corporation would be complete within two years; by fiscal year 2015, SPC will assume responsibility for the administrative functions currently borne by the PMA (either by appropriately compensating PMA for agreed upon services or by performing these services independently).
3. The new corporation will either be gifted with the property outright with a reversal clause in case the corporation fails, or we will work out a long term lease, thus avoiding legal challenges that may be presented by transfer of ownership.

And Further:

4. Recognizing SPC will need access to cash flow equivalent to six months operating budget, the SPC Governing Board is opening conversations with the Synod of the Northeast and other mid-council bodies to explore and design effective financial partnerships and create appropriate cash reserves as the relationship with the PMA transitions.
5. The SPC accumulated operating losses, now totaling approximately 1.5 million dollars, will be frozen before the end of 2012, thus allowing operating income to be used to establish a cash reserve. The Center will not be required to reimburse this liability out of the SPC operating budget. The disposition of the accumulated operating losses will be addressed in a good faith negotiation with the PMAB.
6. Given both our mission goals and the realities of our business plan, it is not in SPC's interest to sell any portion of the property, either to retire debt or to balance the operating budget.
7. All wills and bequests related to endowments and use of property that SPC currently enjoys through its relationship with the PMA and the Presbyterian Foundation would be transferred for continued, similar use for the proposed new corporation.

Assuming approval by the PMAB in September 2012, SPC will work in close consultation with our colleagues in the PMA to begin preparing to establish an independent corporation. This plan creates specific benchmarks that will have to be met in order for a transition to a new corporation to proceed and be successful. What follows is an accounting of those benchmarks in the areas of Corporate Governance, Finance, Administration, Marketing, Funds Development, Programming, and Capital Expenditures for Campus Development.

CORPORATE GOVERNANCE

Though it is primarily the work of the PMAB Task Force to recommend both a transitional and a future governance structure for SPC as it becomes an independent corporation, the following is noted:

1. The leadership of SPC operations would be assumed by a newly formed, independent corporation. The primary purpose of the new corporation would be to operate SPC in a manner consistent with its history and the overall mission of the PC (USA).
2. As closely as possible, the new corporation shall follow the policies of the PC (USA) as articulated by the General Assembly, including those protocols relating to diversity, inclusiveness and just personnel and compensation policies.
3. The current SPC Governing Board would expect to work cooperatively with a “Transitional Task Force” appointed by the PMAB to establish a new corporation of the PMAB in a timely fashion. That work will include the creation of new by-laws under which the new SPC Governing Board will operate. At the point when SPC and the PMAB agree that SPC is prepared to begin operating independently, a new Governing Board will assume responsibility for the new corporation, and both the former Governing Board and the Transitional Task Force will cease to exist.

SPC assumes that the formation of the new Governing Board will need to include the following:

1. Agreement on the number of seats, representations of various stakeholders, length of service, and desired skill sets for the new Governing Board.
2. Establishment of a clear process for nominations, both to the initial task force and ongoing Governing Board.
3. Assurance that the new corporation will continue to honor historic Presbyterian values and the intent of the donor who gave the property to the Presbyterian Church.
4. Commitment to assure continuity between the current Governing Board, the Transitional Task Force, and the new Governing Board of the future, independent corporation of SPC.

BENCHMARKS that must be met in order to assure that the transition is made to the new Governing Board:

1. The new by-laws are written and approved by the PMAB by mid-2014.
 - a. *This is the work of the Transitional Task Force – We need a written request by spring of 2013 for any needed data from SPC.*
 - b. *Identify an appropriate lawyer in the state of NY to work cooperatively with the Transitional Task Force to look at the implications of separate incorporation as a 501©3.*
2. The new Governing Board is nominated and elected by the end of 2014.
 - a. *We will respond to specific requests, but expect not to work actively on this question until the new by-laws are drafted and a nominations process has been*

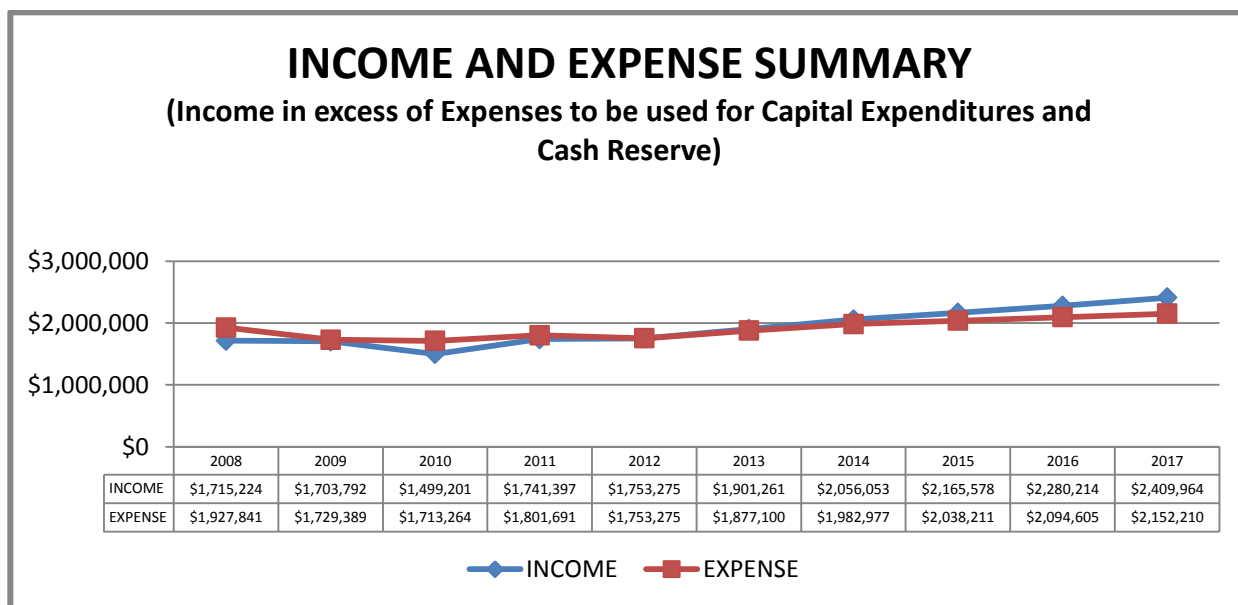
tentatively approved by the Transitional Task Force, in consultation with the current SPC Governing Board..

3. The Transitional Task Force completes its work at the time the new Governing Board is seated early in 2015.

FINANCE

We are confident that SPC has turned the corner financially, and that in 2012 SPC’s income will exceed expenses. The Stony Point Monthly Snapshot on page 20 shows that as of June 30, 2012, six months into our fiscal year, SPC had collected \$53,000 in revenue above it’s expenses. **This is an improvement of nearly \$210,000 as compared to the end of the second quarter in 2011.**

The chart below shows our income and expense for the last four years, the 2012 budget, and projections of income and expense for the next five years. The spreadsheet with a detailed description of the assumptions that are foundational to the budget projection through 2017 can be found on pages 18 and 19. (Please note: 2012 Actual has been added)



Capitalization

In order to function as an independent corporation, SPC must develop an ability to access a cash reserve of roughly six months operating budget, or approximately \$900,000. There are two ways that the Governing Board is responding to this challenge:

1. We are in dialogue with the Synod of the Northeast and with related mid-councils about the possibility of having the ability to borrow from them for short-term cash flow should there be a need to do so. Our goal is to create the ability to borrow up to \$500,000 from

those funds on a short-term basis (to be repaid annually and before any further borrowing could take place).

2. We are prioritizing the creation of a cash reserve through efficient operations of the center which we project will grow to over \$445,000 by 2017.

BENCHMARKS that must be met in order to assure financial success:

1. By the end of 2014 - Increase overall occupancy by 1,300 bednights per year.
2. By the end of 2017 - Increase overall occupancy by additional 800 bednights each year (see budget projections for related overnight income projections, and marketing section for specific marketing goals).
3. By June, 2014 - Secure short-term cash flow by creating access to loans or loan guarantees of approximately \$500,000 in order to cover expenses and emergencies.
 - a. *By the end of September, 2012 – We need an initial, in-person conversation with appropriate synod leadership about how to pursue this possibility with the synod.*
 - b. *By the end of February, 2013 – We need to be able to assess the viability of the synod supporting us in this way – in order to begin pursuing other options if necessary.*
 - c. *By the November, 2012 SPC Board meeting, we need a brainstorm about other possible partners or methods of securing this short-term line-of-credit.*
4. By the end of 2017 - Accumulate \$445,000 in a cash reserve through excess of income over expenses in the operating budget, starting in 2014.
 - a. *By the end of 2012, we need to have an agreed upon number for the SPC accumulated operating losses.*
 - b. *Then, we need to create a “contingency reserve” fund – perhaps as a temporary restricted account – that will hold the cash reserve fund.*

ADMINISTRATION

Since August of 2008, the Governing Board has supported the Co-Directors as they have sought to professionalize all aspects of SPC’s administration, to locate the administration of the Conference Center firmly in the offices of the PMA, and to work cooperatively with the staff in Louisville to build relationships of confidence. This included:

1. Moving all applications and data access to servers in Louisville and relying on support through IT Help Desk.
2. Implementating a guest reservation and hospitality management system across all departments (Event Pro).

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3. Working with the accounting department to develop a single accounting system between Louisville and SPC, and to create a monthly “economic snapshot” to aid in evaluating and forecasting our business.
 4. Working with Risk Management to update program activities and property developments to assure proper insurances are in place.
 5. Developing an annual evaluation of all employees that matches the PMA process as closely as possible and assuring that all information in employee files is up to date.
 6. Working with legal counsel to create a volunteer handbook that includes all relevant employee codes of conduct.
 7. Completing a process started in 2007 to bring all employees in line with a consistent benefits plan.
 8. Implementing a “Salary Band” approach to compensation for all employees, and bringing all salaries up to the low end of the hospitality industry standard.
 9. Beginning the process of consolidating the donor base using Raiser’s Edge.
 10. Assuring that all background checks are in place before hiring new staff or inviting new volunteers to come to SPC.

BENCHMARKS in Administration that need to be met for independent operations to be achieved (note that all benchmarks assume close collaboration and cooperation with PMA Staff):

NOTE THAT A LOT OF THE FOLLOWING DEPENDS ON HOW WE CRAFT THE BUDGET FOR 2013! THIS WILL NEED TO TAKE PLACE IN SEPTEMBER AND EARLY OCTOBER!

1. By January 30, 2013 – Purchase and populate a new software system to manage donor development.
 - a. *By November 15, Paula and Rick have sought and secured appropriate information to make a decision about a donor management system.*
 - b. *By December 1, 2012 – We’ve purchased the software for the new system.*
 - c. *By January 30, Karen has entered all of the data for the new system.*
2. By April 1, 2014 – Develop a new risk management policy that specifies a timeline for SPC to assume all responsibility for risk management by the time separate incorporation is achieved.
 - a. *By January 30, 2014 Rick has a conversation with Martha Clark, Mike Kirk and Kris Baker to lay out the task of developing our own policy. (list all items that must be covered)*
 - b. *By April 1, 2014 there is a draft written by Rick/Kitty for the task force and PMA legal team to review.*

3. By June 1, 2014 – Develop appropriate HR policies and procedures (including a rationale for staff compensation that will be transparent, consistent and fair) and move intentionally toward managing HR, Payroll, and Employee Benefits independently from the PMA by January 1, 2014.
 - a. *By February 1st, 2014 - Rick and Kitty and Linda need a meeting with HR to define the tasks that will need to be covered in this.*
 - b. *By April 1, 2014 – We need a conversation with the BOP about the implications of becoming independent.*
 - c. *By December 30, 2013 – Rick/Kitty/Linda will work on investigating other possibilities to cover our benefits plan.*
4. By June 1, 2014 – Develop a written proposal to assure that systems are in place by January 1, 2014 to cover all appropriate governmental filings, including tax reporting (and UBIT), employee matters and Sarbanes Oxley compliance.
 - a. *By April 1, 2014 - Research what constitutes UBI, what the limits of UBI are for a nonprofit organization, and whether any of our income currently falls into this category.*
 - b. *Also by April 1, 2013 - Research Sarbanes Oxley compliance.*
 - c. *By June 1st, 2014, draft policy on compliance in these areas.*
5. By September 1, 2014 – Develop a proposal to independently manage (or contract with PMA to provide) all SPC computer support, including server, database management, email, security and disaster recovery. Implement proposal by January 1, 2015.
 - a. *By April 1, 2014 – Have an initial proposal from Paula about what options we should be considering.*
 - b. *By September 1, 2014 – Have appropriate bids/proposals to consider*
 - c. *By November 1, 2014 – Make a decision.*
 - d. *By January 15, 2015 – Begin implementing the data management/IT proposal. (probably maintaining parallel systems).*
 - e. *By February 15, 2015 – Make a full switch to the new data management/ IT systems.*
6. By November 1, 2014 - Develop and strengthen appropriate accounting and auditing procedures in order to assure that SPC has the capacity to handle its own accounting and bookkeeping functions, to be implemented by January 1, 2015.
 - a. *Evaluate the need and timing for this process by September 1, 2014, and develop a timeline to implement the changes we expect will need to be made.*

MARKETING

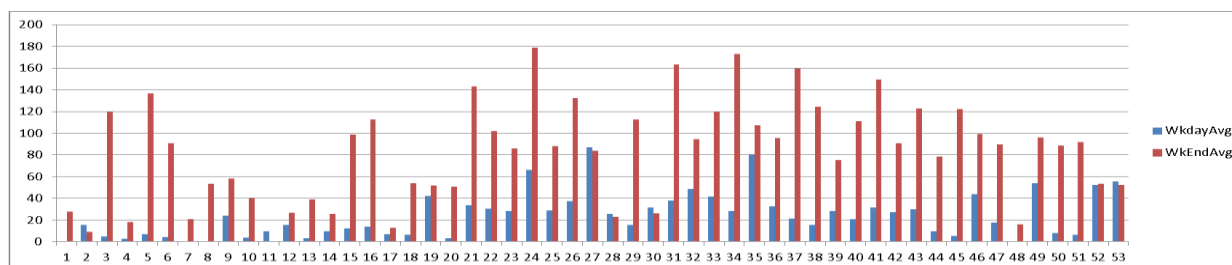
We often refer to ourselves as a two-and-a-half-star facility offering four-star service. When our guests experience the great food and beautiful surroundings we offer and our commitment to “go

the extra mile” for them, we find that they become enthusiastic repeat clients and refer new groups to us as well. (See the Program section of this report for ways in which we try to offer greater value for the groups who use SPC.)

As noted in the Finance section, our financial projections depend on increasing the overall usage of SPC from roughly 20% occupancy in 2011 to 30% occupancy by 2017. We must attract more clients who will use SPC more days of the year. The best way to do that is to build relationships with the groups most likely to appreciate what SPC has to offer – simple, well-maintained accommodations in the beautiful Hudson River Valley, grounded by a management team that is committed to both creating a hospitable space and to the highest possible level of integrity to live our faith in the world.

As noted in the Finance section, to meet our goal of 30% occupancy we must add approximately 1,300 bed-nights in 2013 and 2014, and add 800 bed-nights in each of the following three years. These goals are ambitious but attainable. They depend both upon retaining current guests and developing new business.

2011 Occupancy for 52 weeks: **weekend nights**, **week nights**



As this chart shows, our current efforts must be focused on developing relationships with groups that will book retreats, trainings, mission orientations, and family camps during weekdays. Simultaneously, we are working to assure that weekend usage remains high and to fill the weekends during our slowest months of the year (December through March).

This kind of marketing is about building relationships with different organizations. SPC has a marketing team of staff, volunteers and board members who meet monthly by conference call to set specific goals for outreach and hold one another accountable in attaining those goals.

Some of the areas where we are doing outreach include:

1. Groups that provide young adult leadership training.
2. Local non-profits (Commission on Human Rights, civic organizations, mental health groups).
3. Clergy organizations.
4. United Nations affiliates and interfaith groups.
5. Presbyterian and other denominational and religious partners for committees, mission-orientation programs, and the like.

BENCHMARKS to assure that Marketing Strategies are successful in attaining budgeted, incremental increases in occupancy: Section IV/Item A.103

1. By January 1, 2013 – Consistent strategies implemented for guest retention, including:
 - a. Exit Survey filled out by all guest group coordinators – results tabulated weekly by Conference Services Manager and reported to full management team.
 - b. Follow-up calls initiated by Conference Services Manager for all groups with complaints.
 - c. Follow-up calls initiated by Reservations Manager for potential rebookings.
2. By January 1, 2013 – Marketing Committee and Staff will develop a specific strategy for marketing based on outreach and networking – delineating specific monthly goals for sales calls/visits to develop new guest groups. Plan will emphasize development of client groups likely to be interested in using the property during midweek. (see chart above).
3. By December 1, 2012 – Roll out of new website for SPC and social networking strategies.

FUNDS DEVELOPMENT

There are three areas in which Funds Development work must be focused over the coming five years: Operating Budget, Campus Development and Creation of Endowments. The table below clarifies the development tasks that need to be carried out simultaneously.

DEVELOPMENT GOALS				
Year	Operating Budget	Campus Development	Total	Endowment # of Leadership Gifts
2012	\$35,000	\$35,000	\$70,000	
2013	\$50,000	\$50,000	\$100,000	2
2014	\$65,000	\$65,000	\$130,000	2
2015	\$85,000	\$85,000	\$170,000	4
2016	\$110,000	\$100,000	\$210,000	6
2017	\$150,000	\$100,000	\$250,000	8
2018	\$200,000	\$100,000	\$300,000	10
Totals	\$695,000	\$535,000	\$1,230,000	32

Given the challenges in the area of Funds Development, the 2013 budget is built on the assumption that we will seek a part-time funds development staff person to join the management team and to support the Co-Directors and the Development Committee in their fundraising efforts.

BENCHMARKS that must be met in Funds Development:

Operating Budget

1. By the end of 2017 – Annual gifts to our operating budget will be \$150,000. Beginning in 2014, we will work to increase gifts by roughly thirty percent per year.
2. Beginning in 2013 – The number of donors to SPC will be increased by 5% each year.

Campus Development

1. By the end of 2017 – The Capital Expenditure funds on the five-year budget projection will be realized. This \$40,000 to \$50,000 per year is to be used to underwrite the continuing cost of upgrades needed to maintain and improve the condition of the buildings on the property.
2. By the end of 2017 - The Development Goal for Campus Development noted above will be met by incrementally growing the capacity of that campaign from \$35,000 in 2012 to \$100,000.

Creation of Endowments

1. By April 1, 2013 – The Development Committee will create a plan with a specific timeline to initiate the creation of two endowments – primarily with a program of planned gifts. SPC will seek to re-establish the endowment for the Gilmor Sloane House, and to establish a new endowment to support the rest of the property. These endowments will be modeled on the Allison House Endowment currently managed by the Presbyterian Foundation. Each endowment will be developed to protect the principal, and to allow the income to be spent to maintain the physical plants and to subsidize programs that take place in those buildings. The Development Committee will establish the two funds in 2014, depending upon the final actions of the GA and the PMAB.
2. By the end of 2017 – The Development Goal of Leadership Gifts for each year and/or in total will be achieved.

PROGRAMMING

The Governing Board and Staff of SPC made a key change in direction as a result of developing our business plan for the PMAB in March of 2011. Simply put, we made a decision to get out of the business of trying to develop and fill our own programs, and instead to focus on “adding value” for groups that choose to use the conference center. A few minutes on our website makes obvious the difference that this makes. Groups can contract with SPC to provide on-line registration for their participants. We also offer strategic planning seminars, spiritual direction, multifaith education, boating and outdoor activities, and cooperative/group-building games.

Additionally, we have transformed ground transportation to make it easier for our guests to get here at a reasonable cost.

We continue to work with our closest partners who share our campus as they offer programming that supports SPC's bottom line - which is always to fill as many beds as possible. Those partners include:

1. The Community of Living Traditions (a multifaith community in residence at SPC that is committed to the study and practice of nonviolence), offering a summer young adult internship program that generates over \$40,000 in income each year.
2. The Presbyterian Peace Fellowship, which offers three to four events per year totaling more than \$30,000.
3. The Center and Library for the Bible and Social Justice, which is just getting established and will offer its first, small program in the fall of 2012.

BENCHMARKS that must be met in Programming:

1. By the end of each year – 5 new or current guest groups will have contracted with us to provide on-line registration.
2. By the end of each year – SPC will have provided leadership to enhance the programs of at least six new or current guest groups.

CAPITAL EXPENDITURES FOR CAMPUS DEVELOPMENT

There are many challenges that confront us as we contemplate issues surrounding our care for the physical property of SPC. Since 2008, our strategy has been grounded by the following principles:

1. Our ultimate goal is to make our accommodations simple, but comfortable. We are committed to making do with what we have, rather than tearing down older buildings to be replaced with hotel style amenities, and creating unsupportable debt in the process.
2. We will do a something significant each year to re-invest in the property and show our guests that we are committed to providing a nurturing, welcoming, energy efficient, technologically up-to-date environment for their retreats and conferences.
3. We are doing our best to “pay as we go.” Our commitment is to raise money through efficient operations and funds development in order to make the necessary capital improvements.
4. We are committed to doing as much of the work ourselves as we can.
5. Once questions about SPC's long-term viability are answered, we expect to begin working immediately to develop at least two endowment programs - one for the

Gilmor Sloane House and another for the rest of the buildings on campus - in order to ensure that they will be well-maintained in the future.

Since 2008, we have accomplished the following:

- \$110,000 New heat, hot water and air-conditioning for two of our six lodges
- \$ 35,000 New sewage pump for the entire property
- \$ 9,000 New furnace for Stone House
- \$ 15,000 New sewage tank for Kunkle House
- \$ 25,000 Complete renovation of Readers Service (including new roof and furnace)
- \$250,000 Complete makeover of Allison House (including new kitchen, electrical, exterior paint, interior paint, furnace and central air-conditioning) – Funded by the Allison Estate in the Presbyterian Foundation
- \$ 1,000 New paint for all lodge guest rooms on the property - all volunteer labor

In 2012, we expect to add new heat and hot water to the three lodge wings in Maple (formerly Beta). We expect that this project will cost \$125,000 to \$160,000, \$100,000 of which will be provided as a no interest advance from the PMA to be paid back over five years through a combination of utility savings and the operations budget. This agreement will be personally secured by individuals in order to create a risk-free arrangement for the PMA.

We broke ground on a new Arts Center this summer. No money will be spent on the Arts Center from our operating budget. All work will be accomplished through designated gifts to cover materials and needed contractors, and through the time and energy of dedicated volunteers. We expect that it may take up to three years to complete this project.

While the challenges are significant, we are confident that they can be met. Our guests report increasing satisfaction with their experience at SPC, and they are noticing the improvements that we are making.

The Campus Development Committee of the Governing Board has also articulated a land use plan that includes more space for vegetable gardens, a renewed orchard, new pathways, and development of “quiet” and “active” zones on campus.

As the campus utilization assumptions come to fruition, projects will be funded with some funds from operations and with specific capital appeals. We are also investigating whether or not we can do the standing seam roofs ourselves, if we invest in the machinery.

BENCHMARKS for Capital Expenditures for Campus Development are that the following prioritized projects are completed within the next five to seven years. The additional projects will be reviewed and implemented as funds become available.

CAPITAL BUILDING PROJECTS	
INITIAL PROJECTS (In priority sequence)	ESTIMATE
Maple (Beta) Building Heat, AC, Hot Water Systems	\$160,000
Maple (Beta) Heat, AC for Conference Rooms and Baths	\$40,000

Standing Seam Metal Roofs, Bldgs 1, 2, 3	\$120,000
Energy Efficient Windows, Bldgs 1, 2, 3	\$24,000
Standing Seam Metal Roof, Maple (Beta)	\$120,000
Energy Efficient Windows, Maple (Beta)	\$25,000
Switch to LED Lighting	\$15,000
TOTAL INITIAL PROJECTS	\$504,000
ADDITIONAL PROJECTS (Not prioritized)	
Evergreen (Lakota) Roof-Standing Seam	\$120,000
DeCamp A & B Roof	\$50,000
DeCamp A & B Windows	\$30,000
Gilmor Sloane House Roof	\$30,000
Gilmor Sloane House Interior Repairs*	\$25,000
Art Space**	\$200,000
Evergreen (Lakota) Heating Plant	\$100,000
Bathroom Upgrades for Accessibility	\$100,000
Beech Tree (Asia) Heat, Hot Water, A/C	\$55,000
Simple guest room makeovers for all Lodges	\$200,000
TOTAL ADDITIONAL PROJECTS	\$910,000
TOTAL CAPITAL PROJECTS	\$1,414,000
*There is approx \$25,000 remaining in the GSH Fund	
**The total cost is \$400,000 but we've received a gift of \$200,000	

CONCLUSION

The Quakers talk often about “the way opening,” which is a way of understanding how we confirm that our plans are in line with God’s deepest desires for us. It is the SPC Governing Board’s belief that the draft proposal from the PMAB Task Force may represent “the way opening” for the vision we’ve nurtured at SPC to come to fruition.

Over the last four years, we have worked hard to operate the Center in a way that is fully transparent and fiscally responsible. We’ve sown the seeds for the creation of a multifaith community that can explore nonviolence and peacemaking traditions across religious boundaries in a way that may be both instructive and generative for our denomination, other Christians, and for our sisters and brothers in the Jewish and Muslim traditions. We continue to nurture the culture of openness and welcome that has been a part of SPC for each generation that came before us. We’ve worked hard to build relationships of trust and accountability with the elected members and the staff of the PMA, and we’ve intentionally reached out to Presbyterians from around our region and across the country to provide a second home to them.

We see many challenges in the road ahead, but we are confident that the way is opening, that we have the right leadership in place to make this successful, and that our partnership with the PMAB is strong. We look forward to our continuing collaboration in ensuring

SPC's success and to build a witness together that strengthens the PC (USA) and the whole family of God.

We believe that this moment offers an opportunity to both SPC and to the PMAB. We are as close to a perfect situation as we can imagine to experiment with a spin-off in which the PMAB lets go in order to see what else God may have in store for us, and SPC takes responsibility to nurture a vision that is deeply resonant with historic and current values and priorities of the PMAB and the whole Church.

ENDNOTES FROM PAGE 3

¹**The Confession of 1967** (inclusive language) affirms:

“Christians find parallels between other religions and their own and must approach all religions with openness and respect. Repeatedly God has used the insight of non-Christians to challenge the church to renewal. But the reconciling word of the gospel is God’s judgment upon all forms of religion, including the Christian. The gift of God in Christ is for all. The church, therefore, is commissioned to carry the gospel to all whatever their religion may be and even when they profess none.”

²**The Brief Statement of Faith** states: “In sovereign love God created the world good and makes everyone equally in God’s image male and female, of every race and people, to live as one community....”

Consistent with the lessons we take from the story of the Syrophonecian woman, from the Brief Statement of Faith, and with core values lifted up in Presbyterian General Assemblies and General Assembly Mission Council priorities, we affirm:

- God works through people of other faith traditions as well as our own. We enter into relationships with all people - Christians, those of other religious traditions and those of no religious persuasion - with the assumption that all of us will be changed by the experience

STONY POINT CENTER ACTUAL AND PROJECTED REVENUE AND EXPENSES												
	2008	2009	2010	2011	2012	2012	2012	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budget	Actual	Projection	Projection	Projection	Projection	Projection	Projection
Revenue												
Campus Revenue	\$1,440,678	\$1,413,409	\$1,126,625	\$1,369,894	\$1,435,500	\$1,627,888	\$1,578,437	\$1,712,772	\$1,798,731	\$1,880,691	\$1,964,650	Note 1
Contributions	\$70,107	\$93,785	\$140,825	\$92,920	\$50,300	\$109,158	\$50,000	\$65,000	\$85,000	\$110,000	\$150,000	Note 2
Other Revenue	\$204,150	\$196,598	\$237,751	\$278,583	\$267,475	\$182,135	\$272,825	\$278,281	\$283,847	\$280,524	\$295,314	Note 3
Total Income	\$1,715,025	\$1,703,792	\$1,499,201	\$1,741,397	\$1,753,275	\$1,919,181	\$1,901,261	\$2,056,053	\$2,162,839	\$2,280,214	\$2,409,964	
Expense												
Housekeeping	(\$260,079)	(\$183,278)	(\$191,545)	(\$202,213)	(\$205,767)	(\$297,767)	(\$202,615)	(\$219,055)	(\$225,128)	(\$230,413)	(\$235,809)	Note 4
Food Service	(\$433,088)	(\$424,327)	(\$481,510)	(\$561,312)	(\$528,376)	(\$522,897)	(\$567,338)	(\$630,607)	(\$654,679)	(\$678,460)	(\$702,341)	Note 5
Program	(\$32,704)	(\$15,894)	(\$25,688)	(\$7,871)	(\$6,000)	(\$8,380)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	
Transportation	(\$37,177)	(\$45,172)	(\$40,223)	(\$59,314)	(\$43,500)	(\$51,705)	(\$43,500)	(\$43,500)	(\$43,500)	(\$43,500)	(\$43,500)	
Readers' Service	(\$5,960)	(\$4,843)	(\$4,071)	(\$4,050)	(\$3,810)	(\$2,511)	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	(\$4,000)	
Shop at the Point	(\$36,279)	(\$35,139)	(\$47,324)	(\$42,192)	(\$41,600)	(\$40,494)	(\$43,660)	(\$45,864)	(\$48,157)	(\$50,565)	(\$53,063)	Note 6
Building and Grounds	(\$470,677)	(\$403,293)	(\$318,048)	(\$339,167)	(\$350,266)	(\$331,673)	(\$331,107)	(\$347,662)	(\$365,045)	(\$383,207)	(\$402,462)	Note 7
Administration	(\$502,923)	(\$565,024)	(\$566,802)	(\$546,508)	(\$538,476)	(\$568,348)	(\$643,851)	(\$650,290)	(\$656,802)	(\$663,370)	(\$670,004)	Note 8
Glenn Sloane	(\$30,421)	(\$32,330)	(\$26,417)	(\$24,308)	(\$21,475)	(\$22,841)	(\$22,000)	(\$22,000)	(\$22,000)	(\$22,000)	(\$22,000)	
Allison	(\$13,633)	(\$14,502)	(\$13,642)	(\$13,885)	(\$13,615)	(\$9,517)	(\$13,000)	(\$13,000)	(\$13,000)	(\$13,000)	(\$13,000)	
Community of Traditions Living	\$0	(\$5,847)	(\$3,995)	(\$841)	(\$400)	(\$485)	\$0	\$0	\$0	\$0	\$0	
Total Expense	(\$1,927,841)	(\$1,729,369)	(\$1,713,264)	(\$1,801,691)	(\$1,753,275)	(\$1,816,618)	(\$1,877,100)	(\$1,982,977)	(\$2,038,211)	(\$2,094,605)	(\$2,152,210)	
Operating Income	(\$212,816)	(\$25,597)	(\$214,063)	(\$60,292)	\$0	\$102,563	\$24,162	\$73,076	\$127,367	\$185,609	\$257,754	
Non-Operating/Non-Recurring												
Capital Expenditures	\$0	\$0	(\$71,175)	\$0	\$0	\$0	\$0	(\$40,000)	(\$50,000)	(\$50,000)	(\$50,000)	Note 9
Cash Reserve	\$0	\$0	\$0	\$0	\$0	(\$102,563)	\$0	(\$30,000)	(\$75,000)	(\$135,000)	(\$205,000)	Note 10
Prior Period Adjustments/Writes-offs	\$0	\$0	(\$62,338)	\$49,455	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Income	(\$212,816)	(\$25,597)	(\$277,576)	(\$10,837)	\$0	\$24,162	\$3,076	\$43,076	\$2,367	\$609	\$2,754	
Separate Expense Breakdown												
Utilities	\$253,993	\$180,265	\$175,983	\$165,643	\$167,130	\$154,786	\$175,487	\$184,261	\$193,474	\$203,148	\$213,305	
Salaries and Benefits	\$1,000,992	\$667,511	\$661,400	\$608,621	\$692,120	\$638,465	\$692,120	\$630,120	\$668,120	\$1,008,120	\$1,044,120	Note 11
Volunteer costs	\$0	\$0	\$57,171	\$25,348	\$57,000	\$61,030	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000	Note 12
Other	\$672,566	\$661,613	\$599,710	\$662,078	\$637,025	\$652,336	\$752,493	\$511,595	\$519,617	\$528,338	\$537,785	
End of Year Accumulated Cash Reserve	\$1,927,841	\$1,729,369	\$1,713,264	\$1,801,690	\$1,753,275	\$1,816,617	\$1,877,100	\$1,982,977	\$2,038,211	\$2,094,605	\$2,152,210	
Updated: 7/24/12												
Updated: 8/23/13 with 2012 Actual												

NOTES TO PROJECTIONS	
1	Campus Revenue projected based on increasing bednights by 1,300 in 2013 and 2014, and 800 in subsequent years. Overnight Revenue is 97% of actual campus revenue in 2011, budget 2012, and projections
2	Starting at \$50,000 in 2013 (non capital fund) and growing to \$150,000 in 2017
3	Other Revenue is mostly transportation and building use fees; estimate a 2% growth in each
4	Based on year-end 2011 data, it costs \$2.65 in linen charges to change a bed. While a bed change is not analogous to a bed night, we are using a ratio of 7 changes per 10 bed nights, and increasing the charge by 10 cents per year. For 2014 and beyond, one more 1/2 time housekeeper is planned
5	Calculated meals from 2011 "clicks" and then looked at meals per bed night. Meal counts grow with bed nights; staff, volunteer and day users remained stable. P/T cook budgeted for 2012 moved to full time in 2014
6	Assumes increase of 5% per year
7	Assumes increase of 5% per year for utilities; utilities as 53% of B & G; removed the \$32,595 for contingency repairs in 2012 budget before projecting
8	In 2013, added \$85,000 for computer services, professional P/T development person, accounting/audit and legal services. Remainder of current admin grows at 1%/yr. Assumes that insurance in the future remains about the same as today. Includes \$15,000 for debt service for heating plant upgrade
9	Amount used for capital expense from operating result. Additional amounts may be expended as funded from special appeals
10	Building a cash reserve as we project income in excess of expenses (less the amounts for capital projects)
11	Reflects adding P/T housekeeper and making P/T cook full time in 2014, and salary increases each year
12	Assumes 10 volunteers each being paid \$75/wk stipend + medical at @150/mo; there may also be volunteers who are not compensated
13	Accumulated total of amounts added to cash reserve from operating results

Stony Point
Monthly Snapshot
At 6/30/2012

PRESBYTERIAN MISSION AGENCY BOARD
September 25-27, 2013
Stony Point Transitional Task Team
Section IV/Item A.103

	YTD				Annual Budget	Prior Year YTD	YoY % Chg.
	Actual	Budget	Variance	% Budget			
Revenue							
Campus Revenue	776,445	597,990	178,455	129.8	1,510,500	572,347	35.7
Contributions	10,528	19,632	(9,104)	53.6	50,300	8,579	22.7
Other Revenue	88,972	88,009	963	101.1	192,475	92,773	(4.1)
Total Income	875,944	705,631	170,313	124.1	1,753,275	673,700	30.0
Expense							
Housekeeping	(106,887)	(92,572)	(14,315)	115.5	(205,767)	(90,168)	(18.5)
Food Service	(232,870)	(227,437)	(5,433)	102.4	(528,376)	(244,596)	4.8
Program	(4,635)	(2,290)	(2,345)	202.4	(6,000)	(7,456)	37.8
Transportation	(22,623)	(17,465)	(5,158)	129.5	(43,500)	(21,498)	(5.2)
Readers' Service	(1,422)	(1,840)	418	77.3	(3,810)	(1,715)	17.1
Shop at the Point	(18,427)	(18,490)	63	99.7	(41,600)	(18,173)	(1.4)
Building and Grounds	(156,726)	(169,498)	12,771	92.5	(350,254)	(171,799)	8.8
Administration	(265,057)	(249,036)	(16,021)	106.4	(538,476)	(257,839)	(2.8)
Gilmor Sloane	(8,668)	(10,364)	1,696	83.6	(21,478)	(10,209)	15.1
Allison	(4,574)	(6,811)	2,237	67.2	(13,615)	(6,549)	30.2
Community of Traditions Living	(200)	(200)	0	-	(400)	(641)	68.8
Total Expense	(822,088)	(796,003)	(26,085)	103.3	(1,753,275)	(830,643)	1.0
Operating Income	53,856	(90,372)	144,228		(0)	(156,944)	134.3
Non-Operating/Non-Recurring							
Capital Expenditures	-	-	-	-	-	-	-
Prior Period Adjustments/Write-offs	-	-	-	-	-	49,455	
	-	-	-	-	-	49,455	
Net Income	53,856	(90,372)	144,228		(0)	(107,489)	
Separate Expense Breakdown							
Utilities	75,615	87,091	11,476	86.8	167,134	94,405	19.9
Salaries and Benefits	447,848	404,098	(43,750)	110.8	892,120	436,640	(2.6)
Volunteer costs	9,225	23,940	14,715	38.5	57,000	9,865	6.5
Other	289,400	280,874	(8,526)	103.0	637,022	289,733	0.1
	822,088	796,003	(26,085)	103.3	1,753,275	830,643	1.0
Balance Sheet							
	<u>6/30/12</u>	<u>12/31/11</u>	<u>6/30/11</u>				
Assets							
Cash	257,422	257,486	36,825				
Accounts Receivable	159,464	141,774	141,664				
Less: Prov. for Uncollectable	(10,000)	(10,000)	(19,415)				
Fixed Assets	1,401,303	1,401,303	1,445,044				
Other	56,861	26,044	54,739				
	<u>1,865,050</u>	<u>1,816,607</u>	<u>1,658,857</u>				
Liabilities							
Deferred Revenue	103,651	89,069	112,651				
Accounts Payable (GAMC)	1,520,754	1,589,642	1,473,512				
Other	1,500	1,500	4,545				
	<u>1,625,905</u>	<u>1,680,211</u>	<u>1,590,708</u>				
Equity	<u>239,146</u>	<u>136,396</u>	<u>68,149</u>				

Other revenue in 2012 budget includes Allison House program distribution. This figure is included in campus revenue on the actual and projected revenue and expenses because the program distribution largely supports the room and board of the internship program.

Submitted by

Governing Board of Stony Point Center:

Ruth-Aimee Belonni-Rosario
Donald C. Byers
Alan Ford (GAMC Rep Shared Services, term ending 7/12)
Bruce Gillette
David Haight
Lisa Sharon Harper
Ann Beran Jones (Secretary)
Peter Koenig
Jane MacDonald
Natalie Miner
Carson Mouser (Vice-Chair)
Gary Pratt
Neal D. Presa
Cass Shaw (Chair)
James N. Tse (Treasurer)
Rick Ufford-Chase (Ex-Officio)
Kitty Ufford-Chase (Ex-Officio)
Perry Wootten

PMA Representatives to the Stony Point Center Governing Board:

Brian Frick (Staff Liaison)
Mike Kirk (Legal Counsel)

**Stony Point Center
 Business Plan
 Benchmark Tracking**

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Indicates report to be developed

Section	Benchmark	Who	When	Comment/Status
Marketing	Roll out of new website for SPC and social networking strategies.		December 1, 2012	Complete, January, 2013
Marketing	Consistent strategies implemented for guest retention, including: Exit Survey filled out by all guest group coordinators – results tabulated weekly by Conference Services Manager and reported to full management team. * Tabulate surveys by week/month; indicate # of complaints - statistical Follow-up calls initiated by Conference Services Manager for all groups with complaints. * Tabulate calls by week/month; indicate resolution - statistical Follow-up calls initiated by Reservations Manager for potential rebookings * Tabulate calls by week/month; inciated # of rebookings - statistical		January 1, 2013 Nov 1, 2013 Nov 1, 2013 Nov 1, 2013	Ongoing Ongoing Ongoing
Marketing	Marketing Committee and Staff will develop a specific strategy for marketing based on outreach and networking – delineating specific monthly goals for sales calls/visits to develop new guest groups. Plan will emphasize development of client groups likely to be interested in using the property during midweek * Plan with goals – narrative * Goals vs. bookings - statistical	Rick Ufford Chase Jane MacDonald Spencer Chimbwe	January 1, 2014	Process has begun
Administrative	Purchase and populate a new software system to manage donor development * System Installed; data moved o Purchased E-Tapestry		January 30, 2013	Complete March 2013

**Stony Point Center
 Business Plan
 Benchmark Tracking**

*

Indicates report to be developed

Section	Benchmark	Who	When	Comment/Status
Administrative	Develop a new risk management policy that specifies a timeline for SPC to assume all responsibility for risk management by the time separate incorporation is achieved * Policy document published and approved - narrative		April 1, 2014	Dependent upon action of the PMAB
Administrative	Develop appropriate HR policies and procedures (including a rationale for staff compensation that will be transparent, consistent and fair) and move intentionally toward managing HR, Payroll, and Employee Benefits independently from the PMA by an appropriate date after July 1, 2014 * HR Manual and procedures published - narrative		June 1, 2014	Plan in place by April 1, 2014; dependent upon action by the PAMB
Administrative	Develop a written proposal to assure that systems are in place by June 1, 2014 to cover all appropriate governmental filings, including tax reporting (and UBIT), employee matters and Sarbanes Oxley compliance * Proposal with action plan published - narrative		June 1, 2014	Dependent upon action by the PMAB
Administrative	Develop a proposal to independently manage (or contract with PMA to provide) all SPC computer support, including server, database management, email, security and disaster recovery by an appropriate date after September 1, 2014 * Proposal with action plan published – narrative		Decision November 1, 2014	Implement January 1, 2015

**Stony Point Center
 Business Plan
 Benchmark Tracking**

* Indicates report to be developed

Section V/Item A.103

Section	Benchmark	Who	When	Comment/Status
Administrative	Develop and strengthen appropriate accounting and auditing procedures in order to assure that SPC has the capacity to handle its own accounting and bookkeeping functions, to be implemented by an appropriate date after November 1, 2014 * Proposal with action plan – narrative <ul style="list-style-type: none"> o Include proposal for accounting/payroll software or services 		Start April 1, 2014	Implement January 1, 2015
Financial	Secure short-term cash flow by creating access to loans or loan guarantees of approximately \$500,000 in order to cover expenses and emergencies. * Bank facility established		June 2014	Have initiated conversation with the Synod of the Northeast – to be finalized
Financial	Increase overall occupancy by 1,300 bednights per year in 2013 & 2014 * Publish quarterly report on progress – statistical <ul style="list-style-type: none"> o Include weeknight usage at end of year 	Jane MacDonald	End 2014	Monthly report to track in place
Financial	Increase overall occupancy by additional 800 bednights each year in 2015, 2016, 2017 * Publish quarterly report on progress – statistical <ul style="list-style-type: none"> o Include weeknight usage at end of year 		End 2017	

**Stony Point Center
 Business Plan
 Benchmark Tracking**

*

Indicates report to be developed

Section	Benchmark	Who	When	Comment/Status
Financial	Accumulate \$445,000 in a cash reserve through excess of income over expenses in the operating budget, starting in 2014. * Establish bank or other account * Report balance at the end of each year - statistical		Begin 2014 End 2017	
Governance	The new by-laws are written and approved by the PMAB * Document published - narrative	Transitional Task Force	Mid 2014	Drafted for action by the PAMB
Governance	The Transitional Task Force completes it's work at the time the new Governing Board is seated		Early 2015	
Governance	The new Governing Board is nominated and elected		End 2014	
Programming	SPC will have provided leadership to enhance the programs of at least 6 new or current guest groups * Groups identified, with service provided - narrative		End of Each Year	
Programming	5 new or current guest groups will have contracted with us to provide on-line registration * Groups identified		End of Each Year	Ongoing
Funds Development	Operating Budget – The number of donors to SPC will be increased by 5% each year * Report developed, with 2012 as base-statistical		Begin 2013	
Funds Development	Creation of Endowments - The Development Goal of Leadership Gifts for each year and/or in total will be achieved * Progress report at end of each year - narrative		End 2017	Exploratory phase initiated – to be established by the “New Corp”

**Stony Point Center
 Business Plan
 Benchmark Tracking**

*

Indicates report to be developed

Section	Benchmark	Who	When	Comment/Status
Funds Development	<p>Campus Development - The Capital Expenditure funds on the five-year budget projection will be realized. This \$40,000 to \$50,000 per year is to be used to underwrite the continuing cost of upgrades needed to maintain and improve the condition of the buildings on the property</p> <ul style="list-style-type: none"> * Progress report at the end of each year – amount realized and upgrade project completed - narrative 		End 2017	
Funds Development	<p>Campus Development - The Development Goal for Campus Development will be met by growing the capacity of that campaign from \$35,000 in 2012 to \$100,000 in 2017</p> <ul style="list-style-type: none"> * Progress report at end of each year – narrative * 		Begin 2013 End 2017	
Funds Development	<p>Operating Budget - Gifts to our operating budget will be \$150,000. Beginning in 2014, we will work to increase gifts by roughly thirty percent per year</p> <ul style="list-style-type: none"> * Progress report at end of each year – actual vs. goal - statistical 		Begin 2014 End 2017	