

PRESBYTERIAN MISSION AGENCY BOARD

September 23 – 25, 2015

Finance & Accounting

**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 | J. Board Nominating & Governance Subcommittee |
| | B. Justice | F. PC(USA), A Corporation | P. Plenary |
| | C. Leadership | G. Audit | |
| | D. Worshiping Communities | H. Executive Committee | |

Subject: Unrestricted Reserves - Presbyterian Mission Program Fund (PMPF) Subcommittee

Recommendation:

That the Finance Committee create a subcommittee and appoint members to develop a comprehensive reserves plan linked to the strategic plan and annual operating and capital budgeting processes of the Presbyterian Mission Agency (PMA) with consideration of updating the 1990 GA Action, Section 30.597.3.

Background:

Maintaining adequate reserves is essential to establishing financial stability. Operating reserves are the portion of unrestricted net assets designated for use in emergencies such as unexpected events, economic uncertainties or reductions of operating revenues. The reserves sustain financial operations during these periods.

The policy currently in effect was adopted in 1990. Funding patterns and trends and the mission work plan have changed since this time requiring the policy to be reviewed and updated to meet the current needs of PMA.