

**PRESBYTERIAN MISSION AGENCY BOARD**

**September 23 – 25, 2015**

**Finance & Accounting**

**ITEM E.105  
FOR ACTION**

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

**Subject: Presbyterian Mission Agency Grant Policy**

**Recommendation:** That the Finance Committee, acting as the corporate Property, Legal and Finance Committee recommend to the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation the approval of the following action:

**RESOLVED**, that the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation (“Corporation”) hereby approves the Grant Policy, attached as Exhibit 1, which outlines the standards and procedures for the administration of all grant proposals received by any Presbyterian Mission Agency (PMA) ministry grant program, with the Grant Policy not applicable to the grants referenced in the Mission Development Resources Committee Grant Policies and Procedures adopted by the Corporation on April 17, 2015.

**Background:** In 2003, the General Assembly adopted a policy statement which defined the Presbyterian view of mission. Grants are one way that the Presbyterian Mission Agency lives out its commitment to do mission in partnership. In early 2014 the PMA Leadership Cabinet initiated an organization-wide grant process review for the purpose of assessing the policies, procedures, and practices relating to all PMA grants. The expanded review team was formed in August 2014 and comprised of finance, legal, internal audit, and personnel with responsibility for the large grant programs. The Leadership Cabinet, made the decision to split out policy from procedure, with the intention of policy being brought to the board for approval. The three policies remain in effect until this revised policy is approved.

This Grant Policy is being submitted to assure compliance and uniformity in the administration of the PMA ministry and mission grants.



## Presbyterian Mission Agency

### Grant Policy



September 2015

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## **Preamble**

In 2003, the General Assembly adopted “Presbyterians Do Mission In Partnership,” a policy statement which encapsulates the Presbyterian view of mission as “God’s work for the sake of the world God loves.” The policy statement describes the centrality of partnership to a Presbyterian view of mission:

“As Presbyterians, we recognize the Reformed tradition as one part of the larger Body of Christ, the Church. Other communions in the household of God have equally unique and valued places at the table of God's mission. Recognizing our human limitations and because of our fundamental unity in Jesus Christ, we believe we are called to mission in the discipline of partnership. We believe that doing mission in partnership broadens our awareness of how interconnected God's mission is at the local, national and global levels...”

“...The discipline of partnership assumes that mission can best be done by joining hands with those who share a common vision. Partnership in mission involves two or more organizations who agree to submit themselves to a common task or goal, mutually giving and receiving and surrounded by prayer so that God's work can be more faithfully accomplished. Theologically and biblically, partnership is based on the fundamental belief that God's love for the world is greater than any one church can possibly comprehend or realize.”

“Knowing the breadth of God's love for the world, we affirm that there are different forms of partnership with different patterns of cooperation. We may join around a common goal with other churches, with secular organizations or with other faith communities. In any case, work for the common good extends partnership — and the service of God's mission — to all people.”

Ministry through grant-making is one of the ways the Presbyterian Mission Agency lives out its commitment to do mission in partnership. The 2003 policy statement lists five principles for partnership commitments, which are to guide the implementation of the grant policy that follows:

- Shared Grace and Thanksgiving
- Mutuality and Interdependence
- Recognition and Respect
- Open Dialogue and Transparency
- Sharing of Resources

## **Introduction**

This document is the grant policy adopted by the Presbyterian Mission Agency Board (PMAB) in September, 2015. This policy is designed to ensure unbiased consideration of grant proposals and integrity in the administration of all Presbyterian Mission Agency (PMA) grant programs. Adherence to the grant policy ensures compliance with applicable laws, fund restrictions, internal controls, and ministry or accounting policies, while strengthening oversight to improve the grants process. This policy is to be implemented in all ministry areas and programs that award grants to an external entity, whether an individual, congregation, mid council, or domestic or international organization. Exceptions to the provisions of this policy may be made upon recommendation<sup>1</sup> of a ministry area in cases in which the region or country presents a security concern. The Executive Director of the Presbyterian Mission Agency in consultation with the Legal/Risk Management Services Office, Ministry Director(s), and the Internal Audit Department will accept or reject the exception request.

## **Definition of a Grant**

The disbursement of funds to an external party<sup>2</sup> who has agreed in writing to fulfill specific purposes and comply with funding restrictions, terms, conditions, and reporting required by PMA. The PMA will have no significant involvement in the administration or oversight of expenditures or personnel of the agreed upon project other than to assure that the purpose of the grant has been fulfilled. “Significant involvement” does not include instances in which ministry areas assist external parties in need of capacity building such as budgeting, accounting, coaching, grant writing, and other areas of technical assistance.

**Definition of a Grant Program** A Grant Program is a particular type of mission emphasis in the fulfillment of mission and ministry priorities, aligned with Mission Work Plan (MWP) goals and national or international strategies, which will be accomplished by providing funding to other mission partners. Some examples of current Grant Programs include: Presbyterian Disaster Assistance, Hunger Program, Self Development of People, and Racial/Ethnic Colleges.

## **Types of Grants**

The PMA disburses three (3) types of grants, and they are distinguished by their approval process.

1. Selected and approved by Elected Committees which are established by

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<sup>1</sup> The recommendation from the ministry area must include objective substantiation; however, no exception to applicable laws and regulations may be granted by the Executive Director.

<sup>2</sup> An “external party” is sometimes a grantee with beneficiaries and sometimes a beneficiary and is also referred to in this document as a “grant recipient” External to the work and operations of the PMA or the Presbyterian Church (U.S.A.), A Corporation.

- a. General Assembly or
  - b. Appointed by the Presbyterian Mission Agency Board and/or Presbyterian Church (U.S.A.), A Corporation (PCUSA, A Corp.) or an individual or group delegated such authority by the Presbyterian Mission Agency Board and/or PCUSA, A Corp. In most instances the PMA Executive Director is delegated authority by the board.
2. Selected and approved by staff or Staff Committee given delegated authority from an Elected Committee, when the Elected Committee is authorized to so delegate.
  3. Budgeted Grants. Budgeted grants are to be specifically disclosed to the PMAB during the budget approval process whenever reasonably possible.

### **Grant Program Administration**

#### ***Create***

All grants and grant types must be part of an approved grant program (Grant Program). In order to create a Grant Program, the sponsoring ministry area must (i) identify a perceived grant programming need that meets a mission priority of the PMA; (ii) identify and assign funding, and (iii) obtain the following approvals with respect to a new grant program: Ministry Area Director, Legal Services, PMA Leadership Cabinet, and PMAB through the approval of the PMA Budget.

#### ***Design***

##### **A. Grant Program must:**

1. Establish and document the guidelines and criteria<sup>3</sup> that must be met by grant applicants in accordance with PMA mission priorities and restrictions associated with the Grant Program's funding source(s).
2. Create the application, if applicable, and the grant administration timeline which guides the submission, review, award, reporting, monitoring, and completion phases of the grant. The application should include questions and information that will facilitate the collection of all relevant and required data which needs to be considered during the selection process including but not limited to:
  - providing evidence of denominational and/or community connectedness
  - grantee reporting responsibilities throughout the grant's timeline
  - ensuring that grant recipients are aware of grant funding source restrictions, requirements for reporting and compliance with grant purpose, consequences of noncompliance
  - informing applicants of the PMA's right to perform an audit on granted funds at any time
  - applicant's capacity to fund project from its own assets or from other grant awards
3. Identify and document (i) measurable performance expectations and (ii) qualitative and quantitative data to be collected from grant recipients to provide a means of ensuring the program's intent and objectives are being met. These benchmarks can be defined collaboratively, but must meet the minimum standards to accurately measure the recipients' level of performance.

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<sup>3</sup> "Criteria" should include: 1) eligibility to apply for and receive a grant, 2) requirements for a complete application, and 3) demonstration of missional alignment.

4. Develop and document grant approval rules (which are distinct from Web Invoicing approval rules) based on the grant type and level of funding.
5. The Grant Program's design is to be reviewed and approved as to law, policy and fund restrictions as well as internal controls by the Legal/Risk Management Services Office and Internal Audit.
6. Provide that applications/proposals are to be received, distributed to, and reviewed by an Elected or Staff Committee. The electronic transmission of applications/proposals throughout the grant process is encouraged. In most cases, a Staff Committee will consist of no fewer than three (3) PMA staff. An Elected Committee shall consist of no fewer than three (3) persons. These committee members are to be chosen based on proven competencies in finance or the field of ministry which the grant is intended to support.
7. Establish and make public an unbiased and consistent set of review criteria to ensure fairness and comparability across proposals being considered for support throughout the PMA ministry areas. In those instances of limited responses or the ministry area needs to create equity in the partnership commitments to implement mission and ministry goals, the committee can award the grant based on extenuating circumstances or sole source award guidelines.
8. Establish and advise declined applicants of any existing appeal or reconsideration process for the Grant Program (i.e., money remains to be granted if such an appeal or reconsideration is considered and approved). Appeals and reconsiderations will generally be considered by a team appointed by the Executive Director or as otherwise designated in the grant program design. Such team should include one representative from the original review committee, but is primarily composed of independent appeal reviewers.
9. All elected persons serving on Elected Committees are subject to the PMA Ethics Policy for Elected and Appointed Members, and Staff Committee members are subject to the staff ethics policy in the provision of their duties under this policy.

#### ***Additional Steps***

Processes for administering, selecting, awarding, monitoring and disposition, as well as related guidelines, criteria, forms and systems, will be developed by the Ministry areas and approved by the PMA Leadership Cabinet, or its successor for each Grant Program. Such processes, guidelines, criteria, forms and systems will include strong internal controls, eliminate the potential for management overrides, and reflect a culture of compliance in grant administration.

#### ***Biennial Review***

This Grant Program Policy will be reviewed every two years upon collecting feedback from PMA staff making certain to include representatives from all ministry areas as well as Common Services including Internal Audit and Legal Services. The Executive Vice President/CFO will cause this review to occur. Changes will be submitted to the PMAB for approval through the Board's Finance Committee.

#### ***Approval of Policy Revisions***

This grant policy may be revised on an emergency basis by the Leadership Cabinet. Any emergency revision by the Leadership Cabinet must have input from the relevant ministry area, Accounting and Finance, Legal, and Internal Audit. Emergency revisions are temporary and must be reported to the PMAB Executive Committee for ratification.