

Unification Commission
Presbyterian Center, Louisville, KY
January 18 – 19

DRAFT Agenda

Thursday January 18		
9:00 am	Welcome (morning session livestreamed and public)	
	Prayer/Devotion	Felipe Martinez
	Land Acknowledgement	Kerry Rice
	Covenant	
	<i>Key Unifying Principles</i> : Relational, Streamlined, Nimble, Justice Focused, Vision Driven.	
	Co-moderators report	Felipe Martinez and Cristi Scott-Ligon
	Communications report	Kathleen Henrion
	Communications Unification	Bronwen Boswell
	Work Group Reports (public)	
	Consultants	Dee Cooper
	Finance	Scott Lumsden
	Governance	Debra Avery
	(there will be a mid-morning break)	
	Intersections of work groups	
	Location of April and/or August in person meetings	
Noon	Lunch (possible working lunch for work groups)	
1:00 pm	Committee of the Whole Session with break (not livestreamed, not public)	
5:30 pm	Dinner	
6:30 pm	Committee of the Whole Session (not livestreamed, not public)	
	Will there be recommendations? What consultations might be necessary as a result of recommendations?	
8:30 pm	Adjourn	

Friday January 19

**Unification Commission
Presbyterian Center, Louisville, KY
January 18 – 19**

DRAFT Agenda

9:00 am	Convene with Prayer	Cristi Scott Ligon
	Committee of the Whole Session with break (not livestreamed, not public), if needed	
10:15 am	Break	
10:30 am	Open Session for Action items (livestreamed)	
Noon	Adjourn (box lunches available)	

Commission to Unify the Office of the General Assembly and the Presbyterian Mission Agency
Draft Minutes v2
Online
December 16, 2023

Gathering

The Commission to Unify the Office of the General Assembly and the Presbyterian Mission Agency (“the Unification Commission”) held their thirteenth meeting, online using Zoom, an online audio and web conferencing platform. The public was able to watch in real-time (and view a recording) via Vimeo, a video sharing platform, on the website of the Office of the General Assembly. Materials, including the agenda and minutes, were available to the public via EQUIP, a learning management system administered by the Officer of the General Assembly.

Roll

The roll was formed:

Commissioners (as appointed by the Co-Moderators of the 225th General Assembly (2022); criteria and demographics included for the record):

Felipe N. Martínez, Co-Moderator, Teaching Elder, Presbytery of Ohio Valley;
Commissioner, 225th General Assembly (2022)

Cristi Scott Ligon, Co-Moderator, Ruling Elder, Presbytery of Middle Tennessee;
Commissioner, 225th General Assembly (2022)

Debra Avery, Teaching Elder, Presbytery of Great Rivers; Moving Forward
Implementation Special Committee

Carson Brown, Ruling Elder, Presbytery of Peace River; Young Adult Advisory
Delegate, 225th General Assembly (2022)

Dee Cooper, Teaching Elder, Presbytery of Denver; Presbyterian Mission Agency Board
Dave Davis, Teaching Elder, Presbytery of the Coastlands; Committee on the Office of
the General Assembly

Frances Lin, Teaching Elder, Presbytery of Riverside; At-Large [Ordained Aug. 11, 2023]
Scott Lumsden, Teaching Elder, Presbytery of Seattle; Per Capita and Financial
Sustainability Special Committee

Emily Martin, Ruling Elder, Presbytery of North Central California; Young Adult
Advisory Delegate, 225th General Assembly (2022)

José Rosa-Rivera, Ruling Elder, Presbiterio de San Juan; Per Capita and Financial
Sustainability Special Committee

Bill Teng, Teaching Elder, Presbytery of Peace River; Presbyterian Church (U.S.A.),
A Corporation Board

Kris Thompson, Ruling Elder, Presbytery of National Capital; At-Large

Staff:

Barry Creech, Deputy Executive Director for Administration, Presbyterian Mission Agency

Jennifer Clowery, interpreter

Kathleen Henrion, communications specialist

Kathy Lueckert, President, Presbyterian Church (U.S.A.), A Corporation

Alejandra Sherman, Executive Assistant to the President, Presbyterian Church
(U.S.A.), A Corporation

Opening Prayer
and Devotion

Cristi Scott Ligon, co-moderator of the Commission to Unify the Office of the General Assembly and the Presbyterian Mission Agency (“Unification Commission”), called the meeting to order at 3:00 p.m. ET, and led the opening prayer.

Unification Commission, **Draft Minutes v2**, December 16, 2023, Page 2 of 4

Land Acknowledgment	Kris Thompson, representing the Presbytery of National Capital, led the land acknowledgment, informed by the D.C. Commission on the Arts and Humanities, which recognized the ancestral lands of the Nacotchtank and the Piscataway People. There was a moment to consider the many legacies of violence, displacement, migration, and settlement regarding ancestral lands.
Agenda	By common consent, without edits or objections, <u>the Unification Commission adopted the agenda</u> . Some of the materials, including the agenda and minutes, were available to the public via EQUIP, a learning management system administered by the Office of the General Assembly.
Minutes	By common consent, and without objection, <u>the Minutes of the November 12, 2023, meeting were approved</u> .
Covenant	Felipe Martínez and Cristi Scott Ligon, as co-moderators, read the covenant as a reminder of how the Unification Commission had agreed to engage this responsibility.
Key Unifying Principles	Felipe Martínez recalled the key unifying principles discerned at the Oct. 12-14, 2023, in-person meeting in St. Louis, Mo. A summary of those principles was shared as follows: Relational; Streamlined; Nimble; Justice Focused; and, Vision Driven.
Co-Moderator Report	Felipe Martínez provided the Co-Moderators Report. Their work included a debrief of the November 2023 meeting, and planning meetings for this December 2023 meeting. Individually or together the co-moderators participated in the Consultations Work Group, the Culture Consultants Task Force, and finalized arrangements with Kathleen Henrion for communications contributions.
General Assembly Timeline	<p>Upon recognition, Kathy Lueckert, President, Presbyterian Church (U.S.A.), A Corporation, provided an update on the timeline to the 226th General Assembly (2024). The Commission was reminded the 120-day deadline for all business is February 26, 2024, including any report from the Unification Commission. A suggestion was an agenda item for the January 2024 in-person meeting to determine what to include in any potential report, then to empower a writing team to complete a draft for consideration and approval at the February 2024 meeting.</p> <p>The Commission was also reminded the 45-day deadline is in early May, which is the deadline for budgets. It was noted the 45-day deadline was also the deadline for comments on other business coming before the General Assembly. While all material coming before the General Assembly is publicly available, staff noted they would review all General Assembly business that could impact the Unification Commission, and summarize that material for the Commission.</p> <p>Without further questions or comments, the Commission moved to the next agenda items, the Work Group Reports. Cristi Scott Ligon noted these reports were circulated in advance, and available on EQUIP.</p>

Unification Commission, **Draft Minutes v2**, December 16, 2023, Page 3 of 4

Consultation:
Work Group

Upon recognition, Dee Cooper, facilitator, provided an update for the Consultation Work Group (also comprised of Cristi Scott Ligon and Emily Martin, now including Felipe Martínez). The Commission was pointed toward the report (**Attachment 1**), distributed in advance of the meeting. Dee Cooper thanked Kathy Lueckert for coordinating all the consultations, and with joy noted there were only two consultations remaining. Dee Cooper continued with a summary of the report, noting the ongoing work on a consultant to contribute to defining a new culture in the newly unified agencies.

Governance: Work
Group Update

Upon recognition, José Rosa-Rivera, acting facilitator, provided an update for the Governance Work Group (also comprised of Debra Avery and Carson Brown, and now including Bill Teng), referencing the report (**Attachment 2**) circulated in advance in EQUIP. [Recorder's Note: the report was given in Spanish, while a translation in English was provided in the secondary audio channel.]

The work group was asked, given the work ahead for the governance roles, where the governance work was currently being addressed between the Office of the General Assembly ("OGA") and the Presbyterian Mission Agency ("PMA"). The work group clarified this mapping would be part of the report anticipated in January 2024.

Finance: Work
Group Update

Upon recognition, Scott Lumsden, facilitator, began the update for the Finance Work Group (also comprised of Dave Davis and Kris Thompson; the addition of Frances Lin was noted). Dave Davis addressed the report (**Attachment 3**), distributed in advance of the meeting. The final two paragraphs of the report were noted for the current and future steps of the Finance Work Group, and emphasized the collaborative nature of this work with leadership of OGA and PMA (an "executive team" – it was referenced in error as the "executive commission" in the report). As an example of the collaboration was provided regarding the charts of accounts, that the executive team will continue to take the lead in the chart of accounts, with the Finance Work Group providing oversight.

Establishment of
Polity, Process,
and Procedure
Task Force

The discussion addressed preparation of reports by the Unification Commission for the 225th General Assembly (2024), including the proposed motion (as included with the advance materials distributed in advance of the meeting). Upon motion from the Finance Work Group, and after discussion, the Unification Commission established a small task force from its members to work with staff to review its charter and all polity, process, and procedural issues related to its upcoming report to the General Assembly and make recommendations to the Unification Commission at its January meeting.

Following the establishment of this task force, Carson Brown, Dave Davis, and Scott Lumsden volunteered to serve, and were appointed by the co-moderators. It was noted the co-moderators would also resource the task force.

Communications
Unification

The Finance Work Group was thanked for their work and update. Upon recognition, Kathy Lueckert provided an update on the process to unify the communications. The report ("UniComm Report") was circulated with the advance materials prior to the meeting (**Attachment 4**).

Unification Commission, **Draft Minutes v2**, December 16, 2023, Page 4 of 4

Kathy Lueckert was asked to provide thanks to the staff supporting the communications unification.

Communications
Proposal

Kathleen Henrion, communications specialist, provided an overview of a proposal for the communications of the Unification Commission (**Attachment 5**), circulated with the advance materials prior to the meeting. The discussion focused on who was authorized to speak on behalf of the Unification Commission. Kathleen Henrion clarified the role would be to prepare a summary of talking points, and the proposal would not include direct communication – which remains the responsibility of the co-moderators. The approval process would include review by the Unification Commission, and to ensure timelines are updated and remain relevant. It was noted the interest in the work of the Unification Commission might broaden as the General Assembly approaches; and, Kathleen Henrion noted the primary audiences remained General Assembly staff, and mid-council leaders.

General
Comments

Cristi Scott Ligon welcomed general comments, prior to the anticipated entry into executive session. It was noted the 100% attendance was another indication of the level of commitment and dedication from the members of the Commission. Further, staff were congratulated both for their attentive participation, and their helpful support of the work of the Commission.

Executive Session

Felipe Martínez began to moderate the meeting. Upon motion, second, and an opportunity for discussion, the Unification Commission entered executive session to address personnel and property matters. Staff were invited to participate in the executive session.
[Recorder's Note: the livestream was paused, and then restarted upon rising from executive session.]

Rising from
Executive Session

The Unification Commission voted to rise from executive session.

Felipe Martínez reported that during executive session the Unification Commission took no further actions.

Closing Prayer

Felipe Martínez noted the next meeting was scheduled for January 18-19, 2024, as an in-person meeting in Louisville, Ky., and the Unification Commission would adjourn with a closing prayer. After motion, second, and discussion, and with a closing prayer from Felipe Martínez, the meeting was adjourned just before 5:00 p.m.

Respectfully submitted,

/s/ Raymond Bonwell
Recorder

**Commission for the Unification
of the Office of the General Assembly and the Presbyterian Mission Agency**

COMMISSION COVENANT

- To pray for one another
- To speak and listen with respect
- To inhale and exhale, to remember to breathe
- To have a posture of open mindedness, ready to listen, not quick to make decisions but seek understanding first
- To offer grace as we share collective witness
- To address things authentically, transparently and directly
- To make tough decisions
- To not be bound by our assumptions
- To be open to the Spirit's new options we haven't even considered
- To stay trusting in God
- To know when to speak and act, and know when to be quiet and wait for decisions to come in their time
- To be sensitive to the mindset of staff from OGA and PMA, to pray for them, to be a calming force
- To be consistent in how we communicate officially and unofficially
- To not take ourselves too seriously
- To support and care for one another

Adopted on December 17, 2022

UniComm Report: Startup more than a Mashup

January 10, 2024

Rev. Bronwen Boswell and Dr. Corey Schlosser-Hall

We have established a process map for unifying communications (see UniComm RoadMap on page 2). The black highlighted column is where we are in the process by the time of the UC meeting. We are hoping and expecting to celebrate a new, unified communications ministry by the end of April 2024. Right now we are in Stage One of the process—Reflect & Review.

Stage 1 Reflect & Review (December 11, 2023 – February 5, 2024): **To come to terms with our mutual histories and present realities.**

We had a wonderful gathering on December 11, 2023 to kickoff this phase. If you are deeply interested we can send the agenda and slidedeck that accompanied our day and the results of two significant gift/asset identification activities. The Reflect and Review Task Force is shepherding the good work between December 11 and our next gathering on Feb. 5, 2024.

More specifically the “Reflect & Review” Task Force is working on 5 projects to grow our shared awareness of where Communications Ministry has been in the past and where we are today. You transitional ministry gurus might call this “coming to terms with history.”

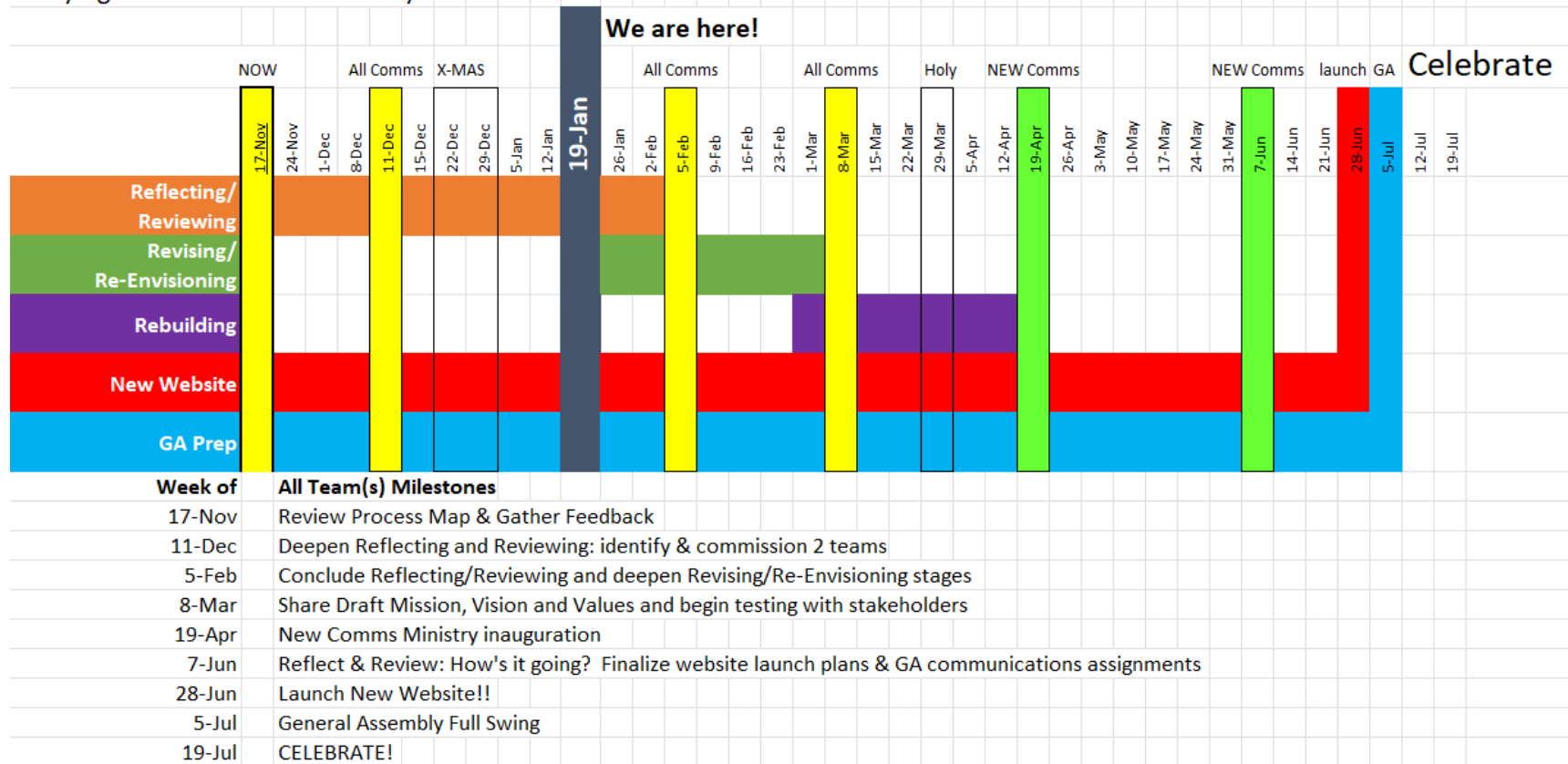
- 1) *History of national communications ministry 1990-present.*
- 2) *Comprehensive snapshot of the present.* Current capacities/competencies, work products, org cultures, and other gifts/assets we are bringing into this new ministry.
- 3) *Pictorial directory and bios* of all the people involved in OGA and PMA communications.
- 4) *Feb 5 all communications convergence design.* Our 5-person Reflect & Review task force is designing our next altogether meeting on Feb. 5 which will mark the completion of the Reflect & Review phase and the launch of the Revise & Re-envision phase with a 6-person task force for that purpose.
- 5) *1:1s with every person.* Corey & Bronwen are meeting 1:1 ... well ... 1:2 (Bronwen & Corey) with every staff person to ask them 4 questions: What do you love most about your work? What competencies, attitudes, workstyles have you mastered or are mastering? What concerns you most about PMA and OGA Communications unifying? What hope and possibilities do you sense in this new unifying ministry?

Stage 2: Revise & Re-Envision (Jan 26-March 15) —To articulate a preferred future including vision, mission and org culture for communications ministry and test it with stakeholders.

Stage 3: Rebuilding a New Ministry (March 8 – April 15)—To name the new communications ministry personnel, operations, and game plan for the present and future.

UniComm Roadmap

Unifying Communications Ministry



DRAFT

Project Description: Presbyterian Church (U.S.A.): Agency Unification Culture Analysis

Purpose. The Commission to Unify the Office of the General Assembly and the Presbyterian Mission Agency (“Commission”) seeks a partner to help the Commission understand the existing cultures of the two agencies that will be unified, make recommendations to address the cultural issues that may hinder unification, and to establish expectations for a new culture for the merged agencies.

About the Presbyterian Church (U.S.A.) (PCUSA). Founded in 1783, the PC(USA) is the largest denomination adhering to reformed theology in the United States. PC(USA) has around 1.1 million members and around 9,000 congregations. After splitting into two (north and south) denominations in the 1860s, PC(USA) reunited in 1983. Its current structure includes six national agencies. Two of these, the Office of the General Assembly (OGA) and the Presbyterian Mission Agency (PMA), have related and somewhat overlapping roles in the life of the denomination.

Background. Similar to other mainline denominations, PC(USA) has decreased in size over the last decades, compelling an examination of the efficacy of its denominational structures. In 2022 the 225th General Assembly voted to unify (merge) OGA and PMA and appointed a commission to oversee the unification. The Commission sees that the two agencies very different internal cultures, with aspects of the cultures that date back to the 1983 reunion. PMA, the larger agency, has a more corporate culture. OGA’s culture is more like a family because of its smaller size. Each agency has its own executive and its own governing board.

The Commission is hard at work on the unification process. It held over 20 consultations with stakeholders. It is working on a new budget process that would unify the separate budgets. It is developing a structure for a new governing body for the unified agencies, and a high-level structure for the new unified organization. It is discerning a new model for executive leadership for the new organization.

The most significant roadblock to unification is that the two agencies have, over time, developed two different cultures because of different strategic objectives, mission agendas, and the personal interests of the officials who have led the agencies over the decades. Over forty years this evolved circumstance has bred misunderstanding and distrust. In order to create a new agency that is not a mere “mash up” of the current two agencies, the commission must first decipher and then address the cultural components that will, if left unengaged, prevent successful unification.

Post COVID, the work pattern of both agencies is largely remote or hybrid. The staff of the two agencies have not been together in the same physical space since 2019. This physical separation likely has aggravated the cultural divide and exacerbated the mistrust and miscommunication that have been a hallmark of that divide.

Project Description. The Commission seeks a partner to research the cultures of the two agencies, make recommendations to address the differences that will hinder unification, and create expectations for the new governing body about creating and instilling a new culture.

Project Timeline. Per General Assembly direction, the unification of OGA and PMA is to be completed before June 2026. The Commission has set general goal of unification in the summer of 2025. The Commission hopes that the culture analysis could take place in 2024, with an interim report in August 2024 and final recommendations by the end of 2024.

Project Budget. Negotiable

Finance Workgroup Report // January 2024

Unification Commission Meeting, Louisville

Summary: The finance workgroup continues to meet weekly to review finances, to listen to executive and key staff members involved in financial and programmatic decision making, and to receive updates on the progress toward a unified 2025 budget. We are also beginning to work with Ian to explore what a new chart of accounts might look like. Another way to say this is that moving forward, we will be spending a good amount of our time with Ian and his team on what Kathy has aptly called “budget transformation.” We see this as a very important part of unifying and streamlining the financial structures that undergird all the areas of mission and ministry we’re working on as a commission.

Unified Budget for 2024: As we begin a new year, this is a good time to remind the UC of the 2024 Unified Budget that was approved at the last General Assembly.

The 2024 Unified Budget is composed of operational budgets for OGA, PMA, and ASG. It’s important to note that the unified budget represents not just the mission and ministry of these entities, but includes some of the other large program areas of GA within them, like the Presbyterian Disaster Assistance (under PMA), the Presbyterian Historical Society (under OGA), Jinishian (PMA), Presbyterian Hunger Program (PMA), etc.

From a unified perspective, the total 2024 budgeted income for all of OGA, PMA, and ASG is \$72M, with expenditures of \$89.5M. The breakdown looks like this: OGA income of \$12.5M, and expenditures of \$14.7M; ASG income of \$4.8M, with expenditures of \$4.8M; and PMA income of \$55.6M, with expenditures of \$70.8M.

As you can surmise, OGA and PMA utilize “Prior Year - Use of Available Designated and Restricted Funds” to balance their budgets. OGA uses a \$2.1M contribution from Prior Year Funds, which equals 14% of budgeted expenditures, to cover their income gap; and PMA uses \$15.1M, or 21% of budgeted expenditures, to cover theirs. Only the ASG balances without use of Prior Years Funds.

The use of Prior Years Funds is a common practice in budgeting for PMA, and to some extent, OGA; and there are finance policies that guide their use for both agencies. However OGA has much fewer reserves to draw on than PMA given OGA’s limited income streams. The finance workgroup is in dialogue with staff on how this process can be more streamlined, equitable, sustainable (and frankly easier to understand) going forward.

(Future) Financial Subcommittee

Whatever the overarching governance structure the UC recommends going forward, the FW recommends there be a substructure (subcommittee?) solely dedicated to an in depth, quarterly review of the finances of the General Assembly. This subcommittee’s work will also include the task of overseeing the implementation of any and all fiscal policies and procedures, and would have the

power to recommend to the NewGov any changes to the budget. This type of finance subcommittee would be consistent with nonprofit governing structures. The FW will be working with Ian and his team on drafts of these policies for upcoming budgets.

Mission and Ministry, not Just Dollars and Cents

In the coming year, it's important that we all know not just the financial implications of unification, but the programmatic aspects as well. To that end, the FW will work to include overviews of the mission and ministry of PMA, OGA, and ASG as we also report on their finances, so that we can all get a better idea how changes to financial operations might impact their collective work.

No Change in Financial Year

The FW has received a written (and verbal) report from Ian Hall (CFO/COO) that recommends the UC make no change to the fiscal year. In short, it appears there are too many programmatic and scheduling challenges to change the fiscal year to any other quarter. Coupled with that, there do not seem to be any clear advantages to undertake such a significant change to current financial operations vis a vis, the GA fiscal year. The full FW still needs to review the report, but I think it's fair to say that a change in the fiscal year seems unlikely.

Special Offerings

Special Offerings provide significant support for the unified budget of GA. The Special Offerings Review Task Force (of PMA) is proposing some important changes to the Special Offerings program, and the FW has been regularly updated on its progress. In summary, we are supportive of these changes as they are in line with many of our stated goals as a UC. In particular, the changes streamline and simplify the message and the process of supporting important causes within GA, without being overly prescriptive about exactly how some of the funds are used (while wisely maintaining some strategic, long term support relationships). The FW hopes that this is passed by PMAB and supported by the assembly.

2026 Unified Budget

Given that we do NOT anticipate a change in the fiscal year (gaining us possibly 6 months in 2025), the FW will more than likely be focusing considerable time and energy, even now, on budget transformation for the 2026 Unified Budget, complete with a new chart of accounts. Obviously, we are still working on the 2025 Unified Budget with the Executive Team, and are very pleased with the progress they are making toward a more unified budget. Yet, while that process continues, the FW realizes that it will take significant time to work through all the issues in financial processes that were put in place as far back as reunion. So the sooner we begin to map out the work of a unified 2026 budget, the better.

EVALUATION OF FISCAL YEAR-END CHANGE

The accounting period for Presbyterian Church (U.S.A.) [PCUSA] has a year ending December 31. The Unification Commission has proposed changing this to a fiscal year-end. Switching to a fiscal year-end would signal a new start with a new unified entity.

The Finance & Accounting Team reviewed the flow of monthly transactions within the accounting system and evaluated the impact of this proposed change. Also, the team consulted with PC(USA)'s internal human resource team, Cherry Bekaert LLP - PC(USA)'s external auditors, and the Presbyterian Church (U.S.A.) Foundation (the Foundation).

The Team evaluated options to determine if there was an alternative month for closing the year that would optimally align with funding, operations, mission, and programs to decide on the best option. This evaluation resulted in the following observations:

Seasonality of Accounting Transactions

During the year, there are several cycles, drivers, and fluctuations of transactions, especially during January, June, July, September, and December as follows:

- The most significant portion of Per Capita receipts are received through Payer Express in **January** and **June**.
- The Youth Triennium event is hosted in **June** every three years. This is a \$2 million event.
- The biennial General Assembly (GA) occurs in **July**. Because it is such a large gathering incurring various costs, performing a year-end closing in the summer months would be challenging because many expenses would have to be estimated and accrued.
- Financial Aid grants are paid in **September**.
- Twenty-five percent (25%) of year-end giving contributions are received in **December**.

Grant Expense – Grants are paid each month throughout the year. The chart below shows the monthly amounts paid in 2022.

Grant Disbursements - 2022		
January	\$83,313	0.82%
February	\$216,761	2.14%
March	\$421,098	4.16%
April	\$453,862	4.49%
May	\$225,960	2.23%
June	\$1,224,068	12.10%
July	\$602,548	5.96%
August	\$1,761,752	17.42%
September	\$839,249	8.30%
October	\$1,297,129	12.82%
November	\$1,624,112	16.06%
December	\$1,365,431	13.50%
	\$10,115,283	100.00%

EVALUATION OF FISCAL YEAR-END CHANGE

Natural Business Cycle

Most synods, presbyteries, and congregations have a calendar year-end. A calendar year-end aligns with those entities that PCUSA serves and supports.

- Per capita is billed on a calendar year basis.
- Year-end donor receipts are sent to donors for recurring gift payments and gifts through payroll deductions.
- Quarterly reports are sent to mid councils by Ministry Engagement and Support (MES).

Payroll Processing

- Modifications to the ADP payroll processing system would be needed to accommodate a change in fiscal year.
- IRS required payroll tax reporting, including W-2 reporting, is on a calendar year basis. A dual tracking system for both internal and external reporting purposes would be required.
- The Board of Pensions is on a calendar year-end. Updates to pensions dues, rates, and benefits and aligning pension and retirement benefits with an alternative fiscal year adds complexity and a higher risk of errors.
- The Flexible Spending Account (FSA) must align with the calendar year end for tax purposes. Adjusting this benefit adds complexity to the system.

Other Considerations

Several changes are currently being proposed or are now underway. The accounting staff must effectively manage these changes within the PCUSA accounting system, including but not limited to

- Moving from a database view to a web view in Financial Edge and Raiser's Edge.
- Unifying Presbyterian Mission Agency (PMA) and Office of the General Assembly (OGA) will require a new organizational structure. This will require a new chart of accounts.
- Developing the 2025 unified budget.
- Special Offerings Task Force – Changes in beneficiaries of each offering and possible elimination of an offering require changes in accounting and budgeting.
- An accounting and reporting change to Per Capita will be made as of January 1, 2024. The per capita receipts will be recognized on a cash basis throughout the year and adjusted to an accrual basis at year-end.

Recommendation

Our recommendation is to continue with a December 31 year-end. The accounting transactions are spread throughout the year, with the lowest activity occurring in February, March, April, and May.

First, PCUSA is on a cash basis throughout the year and adjusts to an accrual basis at year-end. The process for year-end closing would not change. The same steps are needed, so changing the closing month would not save time or add value.

Second, numerous changes currently underway will require modifications to the accounting system. This change is significant and would require a lot of time and work by staff without substantial benefits.

EVALUATION OF FISCAL YEAR-END CHANGE

Finally, the December 31 year-end allows Finance & Accounting to get the final results of the audit and accompanying financial statements early enough to meet the GA and related committee submission deadlines.

Implementing a Change

If a decision is made to change the accounting period to a fiscal year-end, the bylaws would need to be changed, and this requires approval by the Presbyterian Church (U.S.A.), A Corporation Board of Directors.

The financial statements will not be comparative for the first year, and a decision will need to be made on whether to have a short or long year for audit purposes.

UNIFICATION COMMISSION

January 18 – 19, 2024

2024 Proposed Budget Adjustments for Presbyterian Mission Agency Board (PMAB) Approval

At its October 2023 meeting the Commission approved an action that required the Commission to approve any adjustments to the approved 2024 budgets for OGA or PMA. The PMAB will consider approving adjustments to the 2024 General Assembly Mission Budget at its February 2024 meeting. The proposed actions are attached.

If the Commission has feedback or guidance on the proposed adjustments, it would be helpful to PMAB to receive it before their meeting.

PRESBYTERIAN MISSION AGENCY BOARD

February 2024

ITEM FOR ACTION

FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY					
	A. Administrative		B. Matthew 25		C. Vision Implementation
	D. Coordinating		P. Plenary		
FINANCIAL IMPLICATIONS – TO BE COMPLETED BY SUBMITTING OFFICE					
COST (explain in the Rationale section):					
Within Per Capita Budget _____			Within Mission Budget _____		New Funds _____

Subject: Request for funding to implement Phase III of the IT Roadmap

Recommendation:

That the Presbyterian Mission Agency Board request approval from the Unification Commission to allocate up to \$1,000,000 from the Unrestricted Reserve Fund to fund Phase III of the IT Roadmap.

Rationale:

This request will fund two components of Phase III of the IT Roadmap: initial investigations into a Constituency Relationship Management (CRM) system and the implementation of a centralized Grant Management system. Approval is worded as it is (referencing the Unification Commission) because of an October 2023 action from the Unification Commission, stating:

“The Unification Commission empowers its Finance Work Group to provide regular updates to the full commission and to bring any requests which may come from executive leadership for expenditures outside the current 2024 fiscal year budget for commission approval.”

Subsequent conversation with the Financial Work Group revealed that the intent was for PMA to follow its normal processes with the Presbyterian Mission Agency Board, and then bring these requests to the Commission for final approval.

Centralized Grant Management system

In 2021, the Vision Implementation Report [“Reflecting, Reimagining, and Making Space for Rebuilding.”](#) produced by CounterStories Consulting, asked PMA to reimagine its grant-making process. PMA has over 100 grant programs, administered by more than thirty individual offices, which in 2022 disbursed more than \$15,000,000. Each grant program operates a little differently than the other.

In 2022, a Grants Centralization Project team was formed with three primary emphases:

PRESBYTERIAN MISSION AGENCY BOARD

February 2024

- creating broader awareness of funding opportunities
- providing grant requesters with a consistent experience, and
- creating a mechanism to improve the tracking and impact of gifts.

As the project team began its work, it became apparent that meeting the project goals would require a centralized database for grant administration. One of our dreams is the idea of a single application for all PMA-related grants. In that scenario, applicants would not have to know the particular processes for each grant program, but rather could apply once, and then become eligible for any of the grant programs for which the applicant met the restrictions. It may not be possible to fully meet that dream, but it is a vision that is driving the project forward.

Conversations with the Information Technology section of the Administrative Services Group resulted in a referral to outside consultants who would be able to help us develop database and process requirements that could then be used to create a request for proposal for software developers. (A similar process was undertaken with the same consultants for the website re-design.) Project team leaders have been in conversation with the consultants and now have a proposal for consideration. The proposal envisions three phases:

- *Assessment* – an eight-week process of preparation and discovery, focused on the eight largest grantmaking processes. The result of this step will be a clear statement of work to present to prospective vendors.
- *Selection* – an eight-week process of documenting requirements, vendor engagement, and implementation planning. The result of this step will be the selection of a vendor and readiness for implementation.
- *Implementation* – a six-month process of creating the system and processes that will provide centralized grant administration.

Project costs are in three categories:

- Process consultants and vendor relations – \$150,000
- Software licensing – (estimated \$30,000 to \$100,000)
- Software implementation (estimated \$90,000 to \$500,000)

For a maximum total of \$750,000 and a minimum cost of \$270,000. Any unused funds would be returned to the unrestricted reserve. Software licensing costs would recur annually and become a part of the unified budget.

The centralized Grant Management System proposal has the support of PMA's Executive Leadership Team and the Information Technology Steering Team (composed of representatives from ASG, OGA and PMA), a team which established IT priorities for the three entities. While PMA is currently the only one of the three entities with grant-making programs, the OGA representative said that the system might also have applications in work currently administered by OGA.

IT Roadmap

In 2023, the Information Technology section of the Administrative Services Group, working in partnership with leadership of the Office of the General Assembly and the Presbyterian Mission Agency developed an IT Roadmap.

The IT Roadmap is laid out in phases:

- I. Strengthen Technology Services Function

PRESBYTERIAN MISSION AGENCY BOARD

February 2024

- II. Strengthen Core Technology Services
- III. Migrate to Shared Core Business Applications
- IV. Leverage Data and Analytics
- V. Exercise Technology Change Management Muscle

Phases I and II are well underway and have been supported with existing budgets. Phase III includes:

- build and relaunch the website (a major project that is already underway and already funded)
- begin mapping constituent data and optimize existing Constituency Relationship Management (CRM) systems
- bring long-term approach to CRM and digital engagement and
- other efforts as prioritized.

The IT Steering Team has prioritized the centralized Grant Management System as an IT Roadmap Phase III project.

This funding request, in addition to providing support for the centralized Grant Management System development, would provide up to \$250,000 to begin the work of developing the CRM system. Later this year, we expect to bring another funding request for the full development and 2025 implementation of a CRM system.

Having the centralized Grant Management System in development as we begin to think about a CRM solution will allow us to ensure that the two systems can interact and share data...a necessary step for the development of a successful CRM.

The Unrestricted Reserve Fund

The [PMA Reserve Policy](#), approved by the General Assembly in 2016, created the Unrestricted Reserve Fund, which is “composed of all unrestricted receipts and prior year net assets intended for the support of the Presbyterian Mission Agency.” The source of funds in Unrestricted Reserve Fund include:

- income including receipts from congregations, presbyteries, or individuals;
- unrestricted gifts, legacies, bequests;
- unrestricted investment income;
- gift annuity excess reserves;
- such nonrecurring income as the Presbyterian Mission Agency Board shall direct by general or specific policy statement; and
- under expenditure portion of the Presbyterian Mission Agency annual operating budget.

The policy stipulates several conditions for the use of these funds:

- “The unrestricted reserve fund will not be used to manage projected operating budget shortfalls;”
- “(The fund) may be accessed with the approval of the Presbyterian Mission Agency Board;”
- “Use of the unrestricted reserve fund shall be limited to
 - revenue shortfalls and expense overruns in the current budget cycle,
 - emergency purposes, and
 - new mission opportunities;”
- “The unrestricted fund reserve balance will be approved by the Executive Director of the Presbyterian Mission Agency with concurrence of the Chief Financial Officer.”

PRESBYTERIAN MISSION AGENCY BOARD

February 2024

This source of funds was last used in February of 2022, when PMAB approved allocating \$9,000,000 from the unrestricted reserve as follows:

- \$6.5 million to a Board Designated Fund for creation of an Office of Innovation, Discernment and Visioning, a Center for the Repair of Historical Harms, and the start-up costs of the Vision Implementation Plan over a five-year period (2022-2026).
- \$1.5 million to the Office of the General Assembly to assist with its 2023-2024 budget
- \$1 million to the Administrative Services Group to assist with the completion of conference center renovations at 100 Witherspoon, and to supplement the development of PCUSA, A Corporation's unrestricted reserve fund.

At present the Unrestricted Reserve Fund is required to maintain a balance equal to one year's PMA unrestricted expense budget, that is, \$12M. The current balance of the fund is \$21.8M, which means that \$9.8M is available in this fund, sufficient to fund this request and the anticipated expense later this year for the Constituency Relationship Management system, both of which would qualify as new mission opportunities.

ITEM A.102 FOR ACTION

FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY					
X	A. Administrative		B. Matthew 25		C. Vision Implementation
	D. Coordinating		P. Plenary		
FINANCIAL IMPLICATIONS – TO BE COMPLETED BY SUBMITTING OFFICE					
COST (<i>explain in the Rationale section</i>):					
Within Per Capita Budget _____		Within Mission Budget _____		New Funds _____	

Subject: Revised 2024 General Assembly Mission Budget

Recommendation:

That the Administrative Team approve and recommend the proposed Revised 2024 General Assembly Mission Budget of \$76,530,292 to the Presbyterian Mission Agency Board for approval.

Rationale:

Below is a summary of the 2024 General Assembly Mission Budget adjustments, followed by explanations for the budget revisions (Attachment A).

2024			
	Proposed Revised Budget	Approved Budget	Increase (Decrease)
Revenue, Gains, and Other Support	55,393,283	55,015,558	377,725
Expenses	76,530,292	74,047,418	2,482,874
Prior Year - Use of Available Designated and Restricted Funds	21,137,009	19,031,860	2,105,149

Expense budgets were adjusted for increases or decreases as follows:

- (1) **Program Services** increased due to an increase in the registration income for the following special events: Matthew 25 Summit, Rome Consultation, Mosaic of Peace Conference, US South Travel Study, Discerning Missional Leadership (DML) Assessments (five Special Events) and YAV Site Coordinator support.
- (2) **Compassion, Peace and Justice (CPJ)** increased due to Presbyterian Peacemaking Program special events, Presbyterian Disaster Assistance (PDA) program work, increased grant expense (funding was received after the initial budget process), salary adjustments, and completion of General Assembly (GA) program work.

PRESBYTERIAN MISSION AGENCY BOARD

February 6-7, 2024

Administrative Services Group

- (3) **Executive Director** increased due to increased expenses related to the 2024 Matthew 25 Summit.
- (4) **Theology, Formation and Evangelism (TFE)** increased due to program work funded by a Lilly Endowment grant, planning for the 2025 Youth Triennium, and five DML assessment events.
- (5) **World Mission** expenditures increased due to the carryover of unspent 2023 funds (primarily endowments), the addition of the YAV Tucson Site Coordinator position, and the Rome special event.
- (6) **Prior Year - Use of Available Designated and Restricted Funds** – The use of available designated and restricted funds increased by \$2,105,149 with the proposed adjustments. These funds are primarily disaster relief funds.

Presbyterian Church (U.S.A.), A Corporation
General Assembly Mission Budget
2024

Administrative Services Group

Attachment A

	Proposed Revised Budget	Approved Budget	Increase (Decrease)	
Revenue, Gains and Other Support				
Contributions				
Congregations	\$ 8,100,619	\$ 8,100,619	\$ -	
Gifts, bequests and grants	3,041,325	3,041,325	-	
Special offering				
Christmas Joy	2,200,000	2,200,000	-	
One Great Hour of Sharing	6,300,000	6,300,000	-	
Peace and Global Witness	805,000	805,000	-	
Pentecost	700,000	700,000	-	
Presbyterian Giving Catalog	1,500,000	1,500,000	-	
Special giving				
Extra Commitment Opportunity	4,391,000	4,391,000	-	
Hunger	295,000	295,000	-	
Presbyterian Disaster Assistance	2,850,000	2,850,000	-	
Special Missionary Support	150,000	150,000	-	
Total Contributions	30,332,944	30,332,944	-	
Investment Return				
Income from endowment funds held by the Foundation	1,803,500	1,803,500	-	
Income from other investments	2,638,600	2,638,600	-	
Realized gain (loss) on investments, net	13,612,782	13,612,782	-	
Unrealized gain (loss) on investments, net	-	-	-	
Total Investment Return	18,054,882	18,054,882	-	
Other Income				
Interest income from loans	-	-	-	
Hubbard Press	-	-	-	
Stony Point	1,628,150	1,628,150	-	
Sales of resources	407,122	407,122	-	
Program Services	4,959,185	4,581,460	377,725	(1)
Other	11,000	11,000	-	
Total Other Income	7,005,457	6,627,732	377,725	
Total Revenue, Gains, and Other Support	\$ 55,393,283	\$ 55,015,558	\$ 377,725	
Expenses				
Communications	3,366,433	3,366,433	-	
Compassion, Peace and Justice	16,317,612	14,657,681	1,659,931	(2)
Executive Director	4,847,636	4,833,174	14,462	(3)
Racial Equity and Women's Intercultural Ministries	5,774,046	5,774,046	-	
Shared Expense	1,402,657	1,402,657	-	
Stony Point	1,948,930	1,948,930	-	
Theology, Formation and Evangelism	9,147,451	8,673,673	473,778	(4)
World Mission	15,014,249	14,679,546	334,703	(5)
Administrative Services Group	17,961,278	17,961,278	-	
Office of the General Assembly	750,000	750,000	-	
Total Expenses	\$ 76,530,292	\$ 74,047,418	\$ 2,482,874	
Current Year Change in Net Assets	\$ (21,137,009)	\$ (19,031,860)	(2,105,149)	
Prior Year - Use of Available Designated and Restricted Funds	\$ 21,137,009	\$ 19,031,860	2,105,149	(6)
Surplus / (Deficit)	\$ -	\$ -	\$ -	

GOVERNANCE WORKGROUP REPORT

January 2024

Our work has centered around three conversations:

- 1) **New Agency Structure:** Building on the work done to develop a structure for NewGov, the Governance Workgroup shifted focus to the structure for the New Agency (NewAg). Four roles have been identified that will help us begin to organize and create a map which will guide us in the formation of the New Agency.
 - Internal strategies - focused on support for mid-councils and congregations and engagements between agencies and entities of the PCUSA
 - External strategies - centered on how PCUSA shows up in the wider world
 - Visioning and strategic planning
 - Operations
- 2) **New Governing Body Structure:** This work has been set aside while we engaged around the NewAg structure. As we return to this work, we will begin with the Working Purpose Statement and the roles in the FIRST READING of NewGov structure received in our October meeting:

Working Purpose Statement: *NewGov sets the vision for NewAg, providing the resources and wisdom to assess emerging needs, develop program priorities, evaluate agency effectiveness, and serve as a bridge between General Assembly directives and the NewAg.*

NewGov Roles (working with R.J. Dunn:

 - Visioning/Discernment
 - Strategic Analytic
 - Fiduciary/Operational
 - Structural/Technical
 - External/Ambassadorial
- 3) **NewAg and NewGov Leadership:** As structure begins to take shape, we will move toward determining what kind of leadership is needed both through the time of transition and as the NewGov and NewAg are fully implemented. Determining executive leadership requirements, NewGov composition, NewAg staffing needs will flow from of this work.

Next Steps:

- Continue to develop NewAg and NewGov structure and roles using Presbyterian distinctives
- Determine the roles for executive leadership of NewGov and NewAg, including the role of the Stated Clerk
- Determine the status of the NewGov: Is it a Board? A Commission? A Council? A Committee?