

## **Guidelines for Foundation Grant/Loan Applications**

The Foundation of the Diocese gives both grants and low interest loans to parishes for projects that involve Church Property and those which show a commitment to the Vision of the Diocese. This set of guidelines is to help you through the application process when you are applying for a “bricks and mortar” grant/loan.

Our experience shows that those churches who “look ahead” to what maintenance projects need to be done have an easier time with the application process. Likewise, the Foundation cannot do as good a job at crisis management as it can with well-planned maintenance. We are aware that there are times when emergencies do arise. We encourage you to apply for funds to use for an emergency, but offer the following guidelines to help keep these emergencies at a minimum.

### **Plan ahead**

We cannot over emphasize the importance of ongoing physical assessment of church property. (Church/ Rectory/Parish Hall (or any other Church Property)).

Many churches are not aware that there is a Property Committee of the Diocesan Board which will assist you with your building assessment. They also can provide forms to help you do your own assessment.

Areas that should be regularly assessed include (but not limited to):

- Roof
- Windows
- Insulation
- Heating/HVAC
- Plumbing/ Hot water heater/ well
- Electrical/lighting
- Handicapped Accessibility
- Site Drainage/Moisture Problems/Mold Problems
- Parking Lots
- Signage
- Kitchen Facilities
- Exterior Maintenance/Painting/Siding/Pointing stonework
- Property acquisition
- Structural adequacy/ Foundation
- Eaves Trough/ Water control
- Organ

When you are completing your application it would be helpful to keep the following in mind:

- **Answer all questions on the application.** An incomplete application will slow down the process.
- **Projects should be prioritized.** If your application refers to more than one project for which you are requesting funds, it is important to prioritize them.
- **Have your audit complete** or understand that you may not receive the grant/loan until the audit is complete.
- **Be aware of the Construction season.** Some projects are dependent on the weather. For example: a roof should not be replaced in the winter. Fall is not the time to ask for funding for a project like this.
- **It is important to get of three bids for the project whenever possible.** It is sometimes difficult to get three bidders on a short-term basis. Sometimes the Foundation can direct you to contractors if you need help. Our experience shows that when planning the project in advance, most churches are able to get three bids. It is not necessary (or always wise) to take the lowest bidder.
- **It is important to give bidders the specifications of the project** (articulate the scope of the project) so that all are bidding the same parameters.
- **Notify bidders that they will need to provide proof of insurance to the Foundation.** The contractor selected to do the work will need to have their insurer send a copy of their certificate of insurance for liability and worker's compensation insurance to the Foundation.

## Grants/Loans

**Grant money is limited.** There is a \$10,000 per project, per year limit. The Foundation has between \$30,000 and \$40,000 in grant money to disburse among all applications. The Foundation Board attempts to be as fair as possible in giving the grant money to all churches which show need. A church may apply for both a grant and a loan for the same project.

The amount of grant money we have available annually is determined by the interest on the outstanding loans that are being paid back to the foundation.

**Loans can be in any amount,** but must be collateralized by your churches' assets. The rates vary based on the duration of the loan with the longer the term of the loan, the higher the interest rate.

It is the intent of the Foundation not to amortize a loan for any longer than the parish needs it. Loans are paid on a quarterly basis. If you can tell us what your quarterly payments can be, then we can help select the appropriate term for the loan.

It is important for the Parish to show local support. It is the policy of the Foundation not to finance 100% of any given project.

### **Protocol for the review of the application and acting upon the request.**

Please be aware that in the process timing is important!

- **Screening and Review**
  - Your completed application is referred to the Screening and Review Committee of the Foundation.
  - Screening and Review meets quarterly approximately two months prior to the Foundation Board Meeting. If there is a question or oversight with the application, it can often be remedied prior to the Foundation Board meeting.
  - Screening and Review checks your application for the following:
    - **Completeness:** all questions have been answered.
    - **Bids are reviewed.** Have three bids been obtained? If not, why not? Has a specification (spec) for the project been prepared?
    - **Appropriateness of the application is assessed** (it is determined whether this is the best way to fix the problem). This is where having the Property Committee assess the project ahead of time can be invaluable. Screening and Review will often send someone to have an onsite inspection of the project.
    - The **Parish audit** is complete
    - **Parish assessment** payments to the Diocese are up to date.
    - Often someone from the church is asked to attend the S&R meeting or to be available by phone.

**It is necessary to have the application at the diocesan offices one or two weeks before the S&R meeting for distribution to the committee members. A call to the Diocesan Office or a check of the website can give you the dates of these meetings.**

### **Examples of Application processes.**

#### **A Good Application Process:**

St. Swithen's property committee asks the Property Committee of the Diocese to do a property audit. The audit shows that the major property concern is the replacement of the roof within the next two years.

The church gets a knowledgeable parishioner or a member of the Diocesan Property Committee to spec the job.

Well in advance of the work which is scheduled to be done next summer and in plenty of time to get three comparable bids, contractors are contacted to inspect the project, show their willingness to participate and go back to their office with specs in hand so that they can submit a bid.

The Vestry now needs to decide how to finance the project. If it is decided to apply to the Foundation for a Grant and/or loan, an application should then be obtained. A current application can be obtained by calling the Diocese or by downloading from the Diocesan web page.

The Priest/Vestry sees that the church audit requirement and the church assessment payments are up to date.

The application is filled out completely and submitted to the Diocesan Office well in advance of the S&R committee meeting. Someone knowledgeable with the project is available to attend the meeting or accessible by phone.

(Routine maintenance like a roof replacement would not normally need someone to be in attendance at the meeting, but it is always good for someone to be available by phone to answer questions.) You will be contacted in advance if your presence is necessary at the meeting.

Application is reviewed by S&R who recommend to the Foundation Board that the grant/loan be approved. The Foundation Board, seeing that all is in order, approves the request and the Church receives the money well in advance of the roofing season.

### **Bad Example:**

The roof at St. Disma's has been leaking for a year. Buckets have been placed in the parish hall to collect the water. Two years later, at 6AM on a Sunday morning in the winter the roof, covered with a large amount of snow, caves in. The church calls the Diocese in a panic because they need the money NOW!

Example of how the Foundation or Property can help the church with the appropriateness of the work:

The church has a soot problem and there have been respiratory problems within the congregation for a year. A contractor is called in and recommends lining the chimney at a cost of \$5,000. The Church applies for a grant. The Property Committee reviews the problem on site and finds a large hole in heat exchanger of the new (10years old) furnace. The heat exchanger is replaced under warrantee with a cost of \$1000 for labor. There is no need to line the chimney. The Property Committee intervention has saved the church \$4000.