

General Assembly Assessment Relief Plan

To: Presbytery Treasurers, Clerks and Moderators

At the 2010 General Assembly, an Assessment Relief Plan was approved to assist Congregations by writing off a portion of arrear assessments (Addendum A). The 2011 Executive Commission extended the application date for applications to 30 September 2011 (Addendum B).

Please note the Assessment Relief Plan is for assessment arrears up to the end of 2009, and not assessment relief in the case of capital expenditure. The Assessment Relief Plan is only for General Assembly assessments, and has no bearing on Presbytery assessments. Presbyteries may establish their own relief plans for Presbytery assessments.

This document serves to assist Presbyteries by outlining the procedure and requirements to process applications according to the Assessment Relief Plan.

Instructions for Presbyteries

Under the Assessment Relief Plan, the Presbytery is required to receive, investigate and evaluate Congregation's applications for relief on arrears.

We would recommend that every Presbytery delegate this responsibility to a suitably qualified committee, perhaps the Finance Committee or Presbytery Executive. This committee must ensure that the application is complete with all the relevant information, as set out below.

In order to qualify for the Assessment Relief Plan, Congregations must complete and submit the following to their Presbytery Clerk on or before 30 September 2011.

- A. The original or a copy of their completed Congregational Report Forms (Yellow Forms) for 2009 and 2010 with audited financial statements.
- B. Payment or proof of payment of the minimum assessment (R300) for 2009.
- C. Evidence of the amount owing in arrears up until the end of 2009.

Preferably at least three years yellow forms with audited financial statements must be submitted. Presbyteries will need to use their discretion on this point.

- D. A written explanation of the reasons why their Congregation's assessments are in arrears.

Preferably this will include strategies to remedy the situation is at all possible.

Assessment Criteria for Presbyteries

The Presbytery committee appointed to consider these applications should assess them on the following grounds:

A. Is all the necessary documentation submitted?

If not, the application should be referred back. If one or two documents are unavailable or cannot be supplied, the Presbytery may use their discretion.

B. Are the reasons for the Congregation being in arrears valid?

Presbyteries should discern between Congregations who “can’t pay”, and Congregations which can pay but “won’t pay”. Valid reasons are things like insufficient income, if evidenced by supporting documents. Poor financial decisions from the past are only valid if plans have been implemented to correct these. For example, a Congregation should not be supporting missionaries rather than paying assessments. Bad financial management is only valid as a reason if the financial managers/ treasurer has been corrected or replaced.

C. Ability of the Congregation to address the arrears and keep their assessment payments up to date in future.

Congregations which can pay their arrears should do so and not receive a free ride. However, when considering the percentage to be written off, please bear in mind that Congregations will need to pay off the remaining debt AND keep their current assessments up to date to avoid the original debt being restored. While the intent was to aim at a 50% write off, we need to be realistic as to the capacity of the Congregation in question.

Reports by Presbytery Committees

The Presbytery Committees appointed to deal with the Assessment Relief Plan should, after concluding all the prior steps, forward a well considered recommendation to the General Assembly Finance Committee for consideration and approval on the form supplied. Please note the Finance Committee retains the right to adjust the Presbytery’s recommendations.

Congregational Responsibility

Once the Presbytery and Congregation have received the decision of the Assembly Finance Committee, the following needs to take place:

A. Current assessment payments must be kept up to date.

Should the Congregation fail to make regular payments to keep their current assessments up to date, the assessment relief can be rescinded and the total outstanding debt restored.

B. Arrangements must be made to pay off the remaining arrears as soon as reasonably possible.

It is most likely only a portion of the arrears will be written off. To pay the remaining amount of arrears off quickly, Congregations should engage in fund raising or taking special collections. All funds raised specifically to pay off these arrears are assessment free and are not added to their current income. These funds should be paid to the local Presbytery clearly marked with the Congregation’s name, city and marked “Assessment Relief Plan”. Congregations must keep a record of the initial debt, all payments made and the outstanding balance. This information should be submitted with every payment on a remittance advice.

Presbytery Responsibility

The Presbytery Committee appointed for this purpose are to create and keep records of what is outstanding by each Congregation granted assessment relief, and to monitor and record the payment of arrear assessments. The Presbytery is to transfer all funds received with a remittance advice to the Assembly Finance Committee. Deposits must clearly indicate the name of the Congregation, the city, and “Assessment Relief Plan”. The Presbytery should report to the Assembly Finance Committee when the arrears have been paid in full.

Addendum A

DECISION

12. The General Assembly:

- a) endorses the following arrear assessment reduction plan:
- i) applications for reduction of arrear assessments to be submitted to the Presbyteries by 30 June 2011.
 - ii) applications to include the prescribed yellow form for 2009, together with payment of minimum assessments for that year; evidence of the total amount of assessments in arrears at the end of 2009 and an indication of why the arrear assessments have arisen.
 - iii) Presbyteries to assess the validity of each application and the congregation's ability to address the arrears, bearing in mind that all congregations will be expected to keep assessments up to date with effect from 2010.
 - iv) Presbyteries to recommend to the Finance Committee the degree to which a reduction of arrear assessments should be granted, bearing in mind that the Finance Committee's original intention was to offer a 50% reduction.
 - v) any concession granted by the Finance Committee will be subject to:
 - a) compliance by the congregation with the requirements for submission of financial information, and
 - b) payment of current assessments.
 - vi) any payment towards arrear assessments to be made by a congregation in terms of this arrangement to be made to the Presbytery, which has the responsibility of monitoring such payments.
 - vii) any funds raised specifically by a congregation to meet their obligation in terms of this arrangement to be free from assessment in terms of the Rules of Assessment.
 - viii) failure to comply with the arrangement put in place in terms of this process will result in the original debt being reinstated.
- b) instructs the Finance Committee to set up and communicate the necessary mechanisms to implement the plan as from 1 January 2011.

Addendum B

14. The Executive Commission notes that the procedure for pre-2009 Assessment Relief Programme has been circulated to all Presbyteries and Congregations for implementation and that the date for submissions has been moved to end September 2011.