



The Synod of the Covenant
Presbyterian Church (U.S.A.)

Compelling Preaching Initiative
The Lilly Endowment

Cultivating the Gift of Preaching

Submitted By
The Synod of the Covenant
Presbyterian Church (U.S.A.)
May 15, 2023



The Synod of the Covenant

Presbyterian Church (U.S.A.)

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1. Official Request Letter (1 page)
2. Information Form (1 page)
3. Executive Summary (1 page)
4. Summary Budget (1 page)

May 13, 2023



The Synod of the Covenant

Presbyterian Church (U.S.A.)

Rev. Tito Madrazo
Program Director
The Lilly Endowment

Dear Rev. Madrazo,

Grace and peace! This letter indicates the official request of the PC(USA) Synod of the Covenant, along with the Presbytery of Cincinnati, Alma College, and Johnson C. Smith Theological Seminary, to receive a grant from your “Compelling Preaching” initiative. The Synod is the regional organization comprised of 11 presbyteries (including Cincinnati) in Michigan, Ohio, southeast Indiana, and north central Kentucky. Both liberal arts school Alma College in central Michigan and historically Black seminary Johnson C. Smith in Atlanta are in covenant with the PC(USA).

Over the past 3 years, the Synod has offered a wide range of leadership development opportunities, equipping congregations to engage our post-pandemic culture. Among these opportunities are monthly preaching workshops on topics such as on-line preaching, preaching in polarized contexts, and anti-racist preaching. Individual presbyteries have utilized grants, speakers and workshops to equip pastors to understand a changing culture and explore preaching that engages new communities. Encouraged by the success of these and other efforts, we seek to consolidate and expand these programs through a Compelling Preaching grant.

We envision a ministry focused on strengthening the pulpits in churches (perhaps 250 of our 650 congregations) who rarely hear sermons from theologically-trained preachers. The grant will identify, train, and support 35 emerging preachers annually and equip them through cohort groups, written listener feedback, and annual conferences led by preacher-mentors, professors and spiritual life staff from Alma and theological leaders from Johnson C. Smith.

Using resources at the Center for Learning created within the Presbytery of Cincinnati for their Lilly Thriving Congregations grant, we have capacity to manage the funding and will form a cross-Synod steering committee to oversee the planning and execution of the grant itself.

Thank you very much for your investment in the church and its leaders. Your commitment to faithful, innovative, and, yes, compelling proclamation is truly inspiring, and we hope to be a part of that endeavor.

Yours Most Sincerely,

Rev. Dr. Charles B. Hardwick
Executive

Ruling Elder Adrienne Adams
Moderator/Corporate President



Information Form

Organization Requesting Funds:

Legal IRS Name: The Synod of the Covenant, Presbyterian Church (U.S.A.)

Employer ID Number: 31-4423895

Address: 1340 W Long Lake Rd., Bloomfield Hills, MI 48302

Program Title: Cultivating the Gift of Preaching

Proposed Grant Period: January 2024 - December 2028

(Month, Year - Month, Year)

Amount Requested: \$ 1,250,000

President or Chief Executive Officer:

Contact Person's Prefix and Full Name: Rev. Charles B. Hardwick, Ph.D.

Title: Executive

Phone Number: 309-530-4578

Email Address: chip@synodofthecovenant.org

Person legally responsible for signing grants contracts (if not the President or CEO):

Contact Person's Prefix and Full Name: Adrienne Adams

Title: Moderator/President of the Corporation

Phone Number: 313-903-7456

Email Address: adrienne_adams@sbcglobal.net

Person to whom grant payments should be mailed (Please note that payments cannot be sent to a P.O. Box):

Contact Person's Prefix and Full Name: Rev. Charles B. Hardwick, Ph.D.

Title: Executive

Address (Not a P.O. Box): 1340 W Long Lake Rd., Bloomfield Hills, MI 48302

Phone Number: 309-530-4578

Email Address: chip@synodofthecovenant.org

Person responsible for program oversight (program director):

Contact Person's Prefix and Full Name: Rev. Charles B. Hardwick, Ph.D. (until director is hired)

Title: Executive

Address: 1340 W Long Lake Rd., Bloomfield Hills, MI 48302

Phone Number: 309-530-4578

Email Address: chip@synodofthecovenant.org

Executive Summary: Cultivating the Gift of Preaching
Compelling Preaching Initiative from The Lilly Endowment
The Synod of the Covenant
5/13/23



The Synod of the Covenant

Presbyterian Church (U.S.A.)

The Synod of the Covenant is pleased to submit this application for the Lilly Endowment's Compelling Preaching Initiative to support our *Cultivating the Gift of Preaching* initiative. The Synod of the Covenant is a regional judicatory working closely with eleven Presbyteries of the PC(USA), covering approximately 650 congregations in Michigan, Ohio, northern Kentucky and southwest Indiana. The Synod exists to provide training, support, and resources, seeking to inspire, equip, and connect our congregations to join Christ's mission to the world with increasing love, joy, and faithfulness. Our overarching theme is "In our Synod, we'll try anything to equip and support leaders who attend to God's creative, emerging future." For this initiative, we are partnering with a judicatory familiar with the Lilly Endowment (Cincinnati Presbytery) and two institutions of higher education with particular expertise with respect to this project: Alma College and the Johnson C. Smith Theological Seminary.

The *Cultivating the Gift of Preaching* initiative will identify, train, and support emergent preachers within the Synod of the Covenant to equip them for sustainable ministry and to strengthen the Church's witness to the good news of the Gospel in Jesus Christ. Since a large and increasing number of the churches within the Synod – indeed, throughout the Christian world – are served by preachers who have not yet participated in rigorous homiletical or theological training, this program will lead to more compelling proclamation in smaller and less wealthy congregations. It will meet an emerging and urgent need: encouraging and equipping Ruling Elders and lay preachers who do not have an MDiv to nurture our smaller congregation spiritually, whether rural, urban or suburban. Fully 40% of our congregations fall into this category, and we expect that number to grow over the next 3-5 years.

We believe compelling thoughtful preaching is critical to sustain vibrant congregations and ministry. The initiative will include culturally relevant training: the partnership with historically Black seminary Johnson C. Smith adds a strong racial justice component to the program, and innovative forms of proclamation will be developed in conjunction with the New Media department (among others) at Alma College. These partners amplify the work to address emerging needs across our Synod and denomination, working with leaders from throughout the Synod and beyond.

Led by Synod Executive Charles B. Hardwick, whose Ph.D. from Princeton Seminary focused on preaching, worship, and metrics, we strongly believe the *Cultivating the Gift of Preaching* initiative establishes a solid foundation from which the Church and its developing preachers can flourish, especially in our smaller congregations.

Document 5:

- Proposal Narrative (12 pages)

Proposal Narrative: Cultivating the Gift of Preaching

Compelling Preaching Initiative from The Lilly Endowment

The Synod of the Covenant

5/13/23

Purpose

The purpose of the *Cultivating the Gift of Preaching* ministry is to identify, train, and support emergent preachers within the Synod of the Covenant, Presbyterian Church (U.S.A.), to strengthen the Church's witness to the good news of the Gospel in Jesus Christ. Since a large and increasing number of the six hundred fifty churches in Ohio, Michigan, southeast Indiana, and north central Kentucky within the Synod are served by preachers who have not yet participated in rigorous homiletical or theological training, this program will lead to more compelling proclamation in the smaller and less wealthy congregations, and their communities, in our midst.

The first leg in this three-part ministry is to identify ruling elders and other church leaders with the gift of proclamation. As Paul puts it in Romans 10, "How are they to hear without someone to proclaim him? And how are they to proclaim him unless they are sent?" Paul encapsulates two of the challenges addressed by the *Cultivating the Gift of Preaching* ministry: (1) the PC(USA) in general, and this Synod in particular, have the opportunity to be much more intentional about calling (or, what Paul calls *sending*) church leaders into the pulpit without requiring a seminary degree. (2) Without this expanded pool of new preachers, worshipers in- and outside the church walls will not hear the Gospel as compellingly as they will after this program is implemented.

The second leg of the three-fold program is to train these developing preachers with tools from a wide variety of disciplines to sharpen their pulpit ministry. Through this training, participants' proclamation will become more faithful and effective, whether in a traditional pulpit, on a social media platform, or through some other innovative means. Preachers with little experience often simply emulate pulpiteers whom they admire, typically struggling to find their own voice. The intentional formation covered in this ministry will strengthen sermons drawing on at least four foundational fields of study. (1) Theology will enable participants to think rigorously about the claims of the Gospel as it shapes the church and surrounding communities. (2) Exegesis will strengthen nascent preachers' capacity to dig into biblical passages to hear and convey God's Word to listeners today. (3) Rhetoric equips speakers to communicate persuasively, even in our polarized times. (4) New Media Studies open preachers up to the possibility of creative proclamation through new technologies and strategies to reach those outside of their congregations.

The third of the ministry's three legs is to support emergent preachers so that their faith in the Triune God, their commitment to this ministry, and their participation in the body of Christ are all strengthened. Without a vibrant reliance on Christ, preaching can become just another weekly drudgery or a narcissistic opportunity to seek the spotlight. The rigors of regular preaching without yet having mastered the skills which lead to strong sermons can weaken the resolve of even the most eager newcomer to the craft. Without a peer group, proclamation becomes an individualized project which leads even seasoned pastors to loneliness. The accompaniment of experienced preacher-mentors supporting cohorts of program participants can address each of these challenges.

By identifying, training, and supporting emergent preachers throughout the Synod of the Covenant, the *Cultivating the Gift of Preaching* project will expand listeners' understanding of the Gospel and heighten their desire to live according to its claims. Ultimately, more compelling proclamation as developed through this ministry will lead to more faithful congregations and surrounding communities which look increasingly like the Kingdom of Heaven.

Rationale

The passion of the Synod of the Covenant and our partners to identify, train, and support nascent preachers stems from our guiding statement: "In our synod, we'll try anything to equip and support leaders who attend to God's creative, emerging future." To live into this ethos, we focus on four types of ministry:

1. Encouraging and supporting faith communities to be vital
2. Eradicating structural racism and modeling inclusion
3. Experimenting with new ways to be church
4. Connecting presbyteries, congregations, and leaders to reach these goals

Cultivating the Gift of Preaching dovetails nicely with these goals to equip and support leaders: (1) compelling preaching is critical for more vital congregations; (2) the partnership with historically Black seminary Johnson C. Smith will give a strong racial justice component to the program; (3) innovative forms of proclamation will be developed in conjunction with the New Media department at Alma College; and (4) participants and program leaders will connect throughout the Synod in this ministry.

Reaching these goals via *Cultivating the Gift of Preaching* is particularly important given four dynamics which signal why it is important for the Synod and our partners to undertake this work.

- First, God continues to call people to proclaim the Good News in churches of every size, background, and location. Amid church leaders' manifold commitments, The Holy Spirit is preparing many to serve in this particular way, and Jesus will be true to his promise always to be with them, and with their congregations and communities.
- This call is vital, since the second dynamic is the demographic decline of our geography. According to the US Census Bureau, Michigan and Ohio rank fifth and sixth, respectively, in the nation for slowest growth from 2010-2020. Across the region few locales exhibit the demographics which have led to flourishing congregations in past decades.
- Third, retired pastors, who in past years have often served faithfully in congregations without a full-time, seminary-trained leader, are no longer as willing to do so, providing an opportunity for nascent preachers to climb into the pulpit. Anecdotal evidence suggests the technological demands and polarized perspectives heightened by the pandemic have led to these openings.
- Fourth, smaller predominantly white churches are more likely to be in rural areas where ordained leaders are less likely to prefer to serve, and structural racism means that smaller Black churches are even less likely than white churches to be able to support full-time pastors.

Given these dynamics, it's important to plan a ministry which carefully considers how preaching can better inspire, encourage, and guide people in the United States today to come to know and love God

and to live out their Christian faith more fully. In gratitude for the Holy Spirit's constant work of inspiring both preachers and listeners, the two pursue their roles enthusiastically. The preacher's role involves conceiving of a sermon in terms both theological (claims about the triune God and the humanity created, redeemed, and sustained in divine love) and rhetorical (the mechanics of constructing and delivering a sermon so that it builds belief and commitment among listeners).

Faithful theology implies vigorous and creative exegesis of a passage, leading in turn to a sermon's focus (main point) and function (the hoped-for response), in the words of Thomas G. Long. At minimum, the sermon's theology must include (a) sustained attention to at least one of the persons of the Trinity, (b) a focus on God's grace (how the triune God lifts the burden from humanity), and (c) a clearly articulated connection with the passage at hand. Sermons with this theological groundwork help listeners to know and love God.

Effective rhetoric examines the sermon's occasion: the reason this group of people is gathered on this day for this purpose. A congregation's demographics (urban or rural or suburban locale; racial-ethnic background; age; gender balance; political perspectives; familiarity with each other and with the scriptures; etc.) determine the approach most likely to succeed in considering the claims of a particular passage. These claims are shaped not simply by these demographics, but also the timing of the gathering. Palm Sunday is different from Christmas eve, and more so from the fourth Sunday of Ordinary Time. Likewise, a gathering's purpose determines the best way for preachers to reach their listeners: the same group of parishioners gathered for a softball game on Tuesday night is very different when they gather for the funeral of a beloved child. Careful attention to rhetoric, like theology, can guide listeners to live out their Christian faith more fully.

The listeners, both actual and desired, will shape the forms of preaching that preachers use today to communicate the Christian message most effectively. As those who proclaim the Good News of the Gospel consider those who hear it, they must keep their listeners and their occasion in mind as they move through the steps of putting together any oral event: invention (exegesis, focus, function), arrangement (structure), style (wording), delivery preparation, and actual delivery. These steps are the same, whether the Synod's emergent preachers use innovative, virtual means they learn from communications faculty or join in the centuries old tradition of standing in a pulpit and captivating their listeners without any visual aids at all. While current churchgoers might expect the latter, younger "nones" are much more likely to engage with the Gospel through the former approach, given shorter attention spans, a steep learning curve for all things church, and their immersion in a video-based world. Learning to love listeners, no matter the diversity of their backgrounds, is a necessary step for connecting with them.

Nascent preachers in the *Cultivating the Gift of Preaching* program will journey through an eighteen-month cycle beginning each June. (The grant request assumes funding for four cycles.) During this cycle, peer learning experiences will help participants to become more compelling preachers. Each cycle includes monthly cohort groups from adjoining presbyteries (which include mutual spiritual support and encouragement as well as teaching by guest homileticians), coaching by experienced preachers, and written feedback from listeners. The project will explore the possibility of BIPOC cohorts if participants

choose, though all will grow in their theological understanding of racial justice and in their rhetorical expertise of preaching about these critical issues.

In person-gatherings include two overnight cohort gatherings in the second calendar year of each eighteen-month cycle. Annual in-person conferences will supply workshops, keynotes, pastors-in-residence, and spiritual disciplines. Each of these learning experiences is more fully described in the next section.

Program Design

The program design for *Cultivating the Gift of Preaching* will follow the threefold purpose of identifying, training, and supporting lay preachers with gifts for proclamation, involving key partners at its constituent presbyteries, Alma College, and Johnson C. Smith Theological Seminary and new staff at the Synod of the Covenant. This new staff will include a half-time program director and half-time administrator. A steering committee, including program alumni, from throughout the Synod will help steer the program toward its greatest impact.

Identification The ministry will spread a wide net throughout the Synod's 11 presbyteries and 650 churches to identify thirty-five church leaders (mostly ruling elders) annually, approximately three per presbytery. Some of these leaders will be Commissioned Ruling Elders who already have basic homiletical training and who preach regularly. However, many will have preached only sporadically if at all, and will not have received any type of formal training. None will have a Master of Divinity degree or equivalent.

A list of identifying traits consistent with the gift of proclamation will be developed to help potential participants see themselves as preachers. These identifiers might include, but would not be limited to, a commitment to studying the scripture; a comfort with public speaking; congregational leadership, both spiritual and organizational; and experience as liturgists. These traits will become part of the regular communication of the program with respect to new participants.

This communication will highlight the joy of serving Christ in an expanded ministry as well as the need of the church. Conversations and materials will help potential participants understand the deep joy that comes from offering sermons which deeply connect with listeners, helping to strengthen their faith and to join Christ's mission to transform the world. Articulating the ever-increasing need of the church for gifted preachers to serve churches without full-time pastors will be a secondary but still significant emphasis.

The program director will network with presbytery leaders, pastors, key ruling elders, and campus ministry directors to discover potential participants. Phone calls, newsletter articles, travel, zoom meetings, and webinars will be some of the means the director will utilize to spread the word. Introductory workshops giving a taste of the discipline to participants, like the "What, Me, a Preacher?" program that the Synod offered with Maumee Valley Presbytery in 2021, will be offered to help candidates put a toe in the water before enrolling in an eighteen-month program.

Candidates will complete an application to help the steering committee discern the most promising participants. The application will also help future enrollees to digest the scope of the program and to begin thinking carefully about proclamation. In the application process, program participants will learn that they will be expected to help identify candidates for future program years. Their witness and endorsement will be invaluable input for those considering the commitment.

Training Participants will receive training via three primary means: monthly cohorts, annual conferences, and written listener feedback. First, cohorts will be groups of seven preachers facilitated by a preacher-mentor with strong gifts and experience in proclamation and facilitation. Over the course of two hours, monthly zoom meetings will include spiritual practices (discussed below in the Supporting section), a twenty-minute video lecture by a guest homiletician with discussion to follow, and the preaching of a sermon with feedback to follow.

The video lectures will be briefer versions of the monthly Preaching Workshop series coordinated by the Synod of the Covenant since July 2021, which has included renowned thought leaders like Craig Barnes, Teresa Fry Brown, Jana Childers, Anna Carter Florence, and Luke Powery. Guest homileticians' topics might include oral rhetoric; hermeneutics; sermon structure; illustrations; racial justice; and evangelism. Discussion afterward will help participants convert this theory into practice.

Each month, cohort members will reflect alongside a preacher via a recorded sermon from a local worship service or a sermon delivered during the cohort via zoom. The mentor will facilitate the conversation, focusing on the sermon's claims about the Triune God, its proclamation of grace, and its connection to the passage, and the effectiveness of its rhetorical decisions to engage the listeners. The mentor will develop an encouraging culture that speaks the truth in love. Participants will offer three sermons in cohort over the eighteen-month cycle.

The cohorts will be geographically organized so that members can meet in person for two overnight gatherings in the second calendar year of each cycle. These gatherings will focus on teambuilding, spiritual disciplines such as worship, prayer, and Bible study, and homiletical content requiring a longer window than the monthly zooms, such as principles of exegesis. The second overnight cohort gathering will provide a celebration of the course's completion.

The second type of training will stem from two annual conferences over the course of each cycle: one at its beginning, and one twelve months later. These conferences will give participants the chance to focus on the craft of preaching with a larger set of colleagues over multiple days. Meeting from Thursday dinner through Monday lunch each June, participants will build relationships with each other, their mentors, keynoters, workshop leaders, and pastors-in-residence.

Held at Alma College, a Presbyterian school in central Michigan, the conference will include sessions on Bible and Reformed theology from leaders at Johnson C. Smith Theological Seminary, and on innovative, digital storytelling from New Media faculty at Alma. The college's staff of chaplains will serve as pastors-in-residence and will coordinate daily worship services and other opportunities for spiritual formation. Offerings by workshop leaders and keynote speakers will be broadcast virtually as feasible. *Cultivating*

the Gift of Preaching alumni would be welcome to attend the conference at a reduced rate, and others interested could attend paying a higher registration fee.

The third and final aspect of training will be written feedback for preachers via listener surveys developed to elicit coaching, not evaluation, for the participants. These surveys ask for perspectives that guide preachers to improve, rather than grade them on how well this sermon was put together. Coaching feedback of this kind builds connections and hope, both of which are often absent in evaluative feedback.

Twice during the second calendar year of each cycle, worshipers will complete a survey asking questions like “what was the main point of the sermon?”, “how did the sermon connect with the scripture that was read before it?”, and “how might you put your faith into action after hearing this sermon?” The surveys will be compiled and synthesized by research assistants from Alma College and then discussed by the preacher-mentor and the program participant.

Support Caring for the preacher’s soul is the goal of the last of the ministry’s threefold purposes, support. During the identification phase, potential applicants will be encouraged to pray, study scripture, and have holy conversations for discernment using resources curated and developed by the program director and steering committee. These resources will help emerging preachers to see the new possibilities as a call by the Holy Spirit, not simply another task to be undertaken for the sake of the church.

At every gathering of the cohorts, members will share spiritual disciplines. The preacher-mentor will lead these, designed to strengthen the participants’ spiritual lives and love for God and neighbor. The group might practice *lectio divina*, hold worship services, read a devotional book together, and/or share prayer requests. While these practices would need to be relatively brief during the two-hour monthly zooms, the cohort’s two overnight gatherings could include a much more substantial focus on spiritual growth.

Similarly, the annual conference will afford daily opportunities for extended meals, relationship-strengthening activities, and small groups to help develop close kinship among the community. Daily worship, Bible studies, prayer, and one-on-one interactions with pastors-in-residence, keynote speakers, workshop leaders, and preacher-mentors will offer several types of opportunities for participants to grow in faith and commitment to Christ.

Evaluation

Outcomes and Performance Indicators

- Outcome #1 *Approximately 140 more preachers with gifts for proclamation will be identified, trained, and supported throughout the Synod of the Covenant.* Congregations often struggle to find pulpit supply, particularly in urban and rural settings. Gifted potential preachers sit in the pews, but are sometimes reluctant to answer the call to do so because of a lack of invitation, training, and/or support. *Cultivating the Gift of Preaching* will send dozens of qualified preachers annually into the Synod to answer these needs.

- Performance Indicators: Program participation remains strong at the goal numbers of 35 learners each year. Participants, presbytery leaders, pastors, and campus ministers enthusiastically recommend new applicants, and these applicants finish the eighteen-month program at a high rate.
- Outcome #2 *At least 70 more congregations within the Synod will hear sermons each week from preachers with rigorous training than would be the case without the project.* On any given Sunday, approximately 40% of the Synod's 650 churches hear sermons from dedicated Christians whose gifts for preaching have not been developed via training and support such as will be provided through *Cultivating the Gift of Preaching*. With 140 preachers available after the five-year grant period, an attainable goal is that at least 70 additional congregations will have a trained preacher on any given Sunday.
 - Performance Indicators: The program will track progress toward this goal via annual estimates from presbytery leaders as well as a longitudinal study of participants to document how frequently they are preaching.
- Outcome #3 *Program participants preach more faithfully and effectively than they did before being trained.* This outcome gets to the crux of the matter: the ministry must considerably strengthen participants' sermons. Theologically, their offerings are richer, better exegeted, more focused on the Triune God, more grace-centered, and more consistent with the Reformed tradition. Rhetorically, preachers make decisions which better engage their specific listeners as well as their desired listeners. The combination of more faithful theology and more effective rhetoric leads to more compelling preaching.
 - Performance Indicators: Foundational improvements in preaching will be measured in three ways. First, preachers will receive written feedback through the aforementioned listener surveys. The results of successive surveys will indicate whether they have improved on the areas for improvement identified in prior surveys. Second, preacher-mentors will give written feedback about improvement or lack thereof as they share their second and third sermons in cohorts. Finally, the longitudinal participant study will include questions on confidence and comfort level with the tasks of preaching.
- Outcome #4 *Program participants offer non-traditional forms of proclamation designed to engage those outside of the church with increasing frequency and engagement.* Working with Alma College's New Media department, preachers' options for proclamation will expand beyond the traditional in-the-pulpit fifteen-minute soliloquy. Whether one-minute sermons (or even briefer tik-toks), or video compilations or a breakthrough innovation not yet imagined, participants will creatively share the Good News more frequently and with more likes, shares, and pins.
 - Performance Indicators: The longitudinal participant study will include questions pertaining to innovative means of proclamation and successes with online engagement. Amassing all the responses from alumni and current participants will show the extent to which the Gospel is proclaimed to those outside of the normal bounds of the church.
- Outcome #5: *Preachers feel an increasing connection to Christ and an increasing desire to serve God and neighbor due to the spiritual support they receive in the program.* Participants preach with a closer connection to the Incarnate Word of God and receive joy from living out this vocation (even during regular cycles of frustration and affirmation). They have made connections with others in the program, and together they encourage each other toward deeper faith and a broader desire that the world more closely reflect the Kingdom of Heaven.

- Performance Indicators: The longitudinal participant study will include questions pertaining to the preacher's spiritual life and connectedness to Christ. Moving from the pre-test to alumni surveys, the synod will discover if learners participate more regularly in spiritual disciplines and the extent to which they have integrated preaching into their spiritual lives.

Evaluation Plan. The ministry will evaluate its success in reaching these outcomes via the following mechanisms, first for reaching the quantitative goals to be measured by frequency/availability, and then secondly the qualitative goals to be measured by improved preaching.

- Quantitative Goals
 - Participants continuing commitment to the cohort and annual conferences
 - Longitudinal participant study, seeking data on frequency of preaching in various means
 - Annual surveys of executive presbyters and stated clerks quantifying the number of pulpits appropriate for program alumni, and how many pulpits are filled with program alumni.
- Qualitative Goals
 - Longitudinal participant study exploring their commitment to spiritual disciplines and their confidence and comfort level in preaching, as well as online engagement (where appropriate) of their non-traditional acts of proclamation
 - Written listener feedback which demonstrates progress in faithful and effective sermons
 - Annual discussions with preacher-mentors to learn about participants' progress

Communication

This communication plan includes the goals, key stakeholders, team members, content, and channels important for the ministry.

Goal The goal of the communication plan is to strengthen efforts to meet the overall objective of *Cultivating the Gift of Preaching*: to identify, train, and support emergent preachers within the Synod of the Covenant in order to strengthen the Church's witness to the good news of the Gospel in Jesus Christ. Effective communications will keep key stakeholders up to date with (1) the importance of this effort, (2) the richness of the identification, training, and support, (3) the availability of pulpits and preachers, and (4) success stories of increased congregational vibrancy.

Key Stakeholders Consistent communication with the following stakeholders will be critical for the success of the ministry.

- Church leaders throughout the Synod's congregations in Ohio, Michigan, Indiana, and Kentucky, in particular leaders of congregations for whom the ministry's participants and graduates are best suited to serve
- Nascent preachers coming to realize their gifts of proclamation, and their pastors
- Executive Presbyters and Stated Clerks who are the best cheerleaders for all Synod ministries
- Current participants in the program and alumni, in order that they invite others to join in and that they themselves continue to grow
- Other mid-council leaders throughout the PC(USA) and representing ecumenical partners, to share learning and inspire similar programs

- Partner organizations (Alma College, Johnson C. Smith Theological Seminary, Cincinnati Presbytery)
- Steering committee consisting of representatives from these key stakeholders

Team Members The team members responsible for communication would be the program director and administrator, as well as the Synod Executive and Office Manager, in partnership with Digital 55, the Synod's communications provider.

Content The most important information and insights to be communicated include the following:

- Tools and inspirational pieces to help potential course participants to discern if they have the gift of proclamation.
- Insights from leaders (preacher-mentors, annual conference leaders, guest homileticians, program director, etc.)
- Profiles of participants and graduates and their insights about preaching
- Application and program details for participants and leaders

Channels Communications would flow via the following means

- A dedicated monthly newsletter to supplement pieces in the Synod's monthly newsletter
- Updating the "equipping preachers" section of the Synod's website to include all germane information and updates ([Explore these Opportunities to Train and Strengthen Preachers - Synod of the Covenant](#))
- An annual report describing the successes and challenges of the program
- Social media accounts
- Regular phone calls with key constituents

Sustainability and Continuation

Cultivating the Gift of Preaching will seek financial sustainability (beyond the four cycles funded by the Compelling Preaching grant) via some combination of the following means:

- Requiring participants and their home churches will contribute \$250 and \$1000, respectively, for the cycle in which they take part in the program. (The budget includes \$37,500 for each cycle from this source.) It is likely that these modest amounts will increase when the grant concludes.
- Alumni participants and churches will be invited to give toward future cycles of the program.
- Synod ministries are typically co-funded with presbyteries, with the Synod paying approximately 70% of the costs and the eleven presbyteries sharing the remaining costs. When the grant period concludes, funding will move to this plan.
- Partnering with other adjoining PC(USA) synods or ecumenical partners perhaps as early as year four and then sharing costs after the grant period concludes (while maintaining the approximate size of the program at 35 participants a year). (The budget includes \$20,000 from presbyteries and other partners for the fourth cycle.)
- Modest increases in the per capita rate charged to members of the Synod. (The budget assumes a 7-cent increase by the program's third cycle.)
- Depending on the success of this program compared with other ministries offered by the Synod, the Synod's budgeting priorities might be shifted to provide more funding.

Organizational Capacity

The Synod of the Covenant, Presbyterian Church (U.S.A.) is the mid-council responsible for serving the eleven presbyteries, 650 churches and more than 80,000 members in Ohio, Michigan, southeast Indiana, and north central Kentucky. Rather than overseeing and supervising these constituents, we seek to understand how best to strengthen and equip them, and to offer programming and support to reach their goals.

As stated above, our guiding statement, developed with presbytery leaders, is “In our synod, we’ll try anything to equip and support leaders who attend to God’s creative, emerging future.” To make progress toward this goal, we have four ministry focus areas:

- Encouraging and supporting faith communities to be vital
- Eradicating structural racism and modeling inclusion
- Experimenting with new ways to be church
- Connecting presbyteries, congregations, and leaders to reach these goals

The Synod Assembly, composed of 22 commissioners, governs the work of the Synod and has defined and revisited the goals listed above. Synod committees (Finance, Governance, Human Resources, Leadership, and Nominations) provide the structure and oversight for ministry teams to do their work. The steering committee for *Cultivating the Gift of Preaching* would be a ministry team like the Synod’s Grants/Scholarships and Self-Development of People teams.

The Synod’s ministry expertise includes prior work to strengthen preachers. It has offered monthly zoom preaching workshops featuring renowned homileticians since June 2021, and participation varies from 20 to 40 attendees from the Synod and around the country. More than 200 different preachers have attended at least one workshop. In addition, the Synod’s executive director has joined four different presbyteries’ efforts to train lay preachers since 2021.

The Synod staff includes an Executive, Stated Clerk, Organizer for Synod Communities of Color, Office Manager, and Treasurer. The Executive holds both an M.B.A. from Northwestern University’s Kellogg Graduate School of Management and a Ph.D. in Homiletics from Princeton Theological Seminary. His dissertation, “Surveying the Sermon: Listener Questionnaires for More Faithful and Effective Preaching,” provides the theological and pragmatic groundwork for listener surveys to be used in the program. He is widely connected throughout the PC(USA) and the homiletical academic communities, leading to a breadth of leaders for *Cultivating the Gift of Preaching*. The grant will also permit the hiring of a half-time program director and administrator.

The Synod’s annual operating budget is approximately \$500,000. Its major sources of revenue are endowment income (~50%), per capita funding from presbyteries and congregations (~40%), and other income (~10%). In addition, from its endowments the Synod also facilitates gifts of approximately \$50,000 to twenty campus ministries within its midst.

The Synod's organizational capacity is strengthened by its grant partners. Alma College offers faculty in several key areas (e.g., new media, communications, English, marketing research) to strengthen the offerings of this ministry, as well as logistical expertise and several key leaders on campus with advanced theological degrees, even beyond the vibrant spiritual life staff. Johnson C. Smith Theological Seminary's mission is to advance communities of faith, justice, and compassion through innovation in theological education. Its commitment to the priesthood of all believers and its focus on excellence in worship make it an ideal partner to provide theological and homiletical leadership. The Presbytery of Cincinnati received a Thriving Congregations grant from the Lilly Endowment in 2020 and is eager to serve as a key conversation partner and champion throughout the Synod, as well as providing administrative support and guidance.

Anticipated Obstacles

Anticipated obstacles to the success of this project include difficulty in identifying participants, in their completion of a rigorous eighteen-month program, and in the hiring of a director with a background in homiletics/church leadership.

Obstacle #1: Identifying Participants Developing preachers interested in this program are most similar in profile to those serving as Commissioned Ruling Elders. CREs (sometimes also called Commissioned Pastors) provide critical leadership to congregations like the ones that this grant will serve: churches too small to call and install ordained pastors. They receive training in eight or ten subject areas (touching on the subjects typically covered in an MDiv program) and the commissioning process can take three years or more.

Despite the ever-increasing need for CREs for many of the same reasons articulated above in the Rationale section of this application, less than half of the eleven presbyteries within the Synod have a robust program of training and support CREs. Although multiple factors contribute to this gap, one reason might be the lack of potential participants who see themselves offering pastoral leadership to churches. One CRE commented that programs too often try to invite participants into CRE training programs by talking solely about the need in churches, rather than the joy that comes from living into an expanded ministry.

To overcome this obstacle, the identification phase of *Cultivating the Gift of Preaching* will seek out participants using various strategies. First, regular communication of basic information via websites and newsletters. Second, workshop opportunities to help potential participants get their feet wet without long-term commitment. Third, tools to help church leaders understand if they might have the gift of proclamation. Fourth, and most importantly, a networking strategy that relies on conversations with Executive/General Presbyters and Stated Clerks, pastors, church leaders, and program alumni.

Obstacle #2: Completion of an Eighteen Month Program The second obstacle is that the duration of the program will be too long for participants to complete it. The Synod and partners feel strongly that eighteen months is the right time frame to train and support preachers after they have been identified and called. Preaching faithfully and effectively requires rigorous preparation, and the ongoing

relationships developed in each cohort will spur the preachers on to lifelong habits that will serve them well decades into the future.

At the same time, most of the participants in this program will be doing this as a complement to their already-busy lives. Many are already seeking to succeed in their existing careers. Even retirees often find themselves with less time on their hands than they expect. Although the monthly requirements are minimal (a two-hour cohort meeting), life circumstances change over time and it is possible that, like participants in similar programs, the program's participants will find it difficult to stay the course.

The key individuals to address issues that might arise are the preacher-mentor and the other cohort participants. The former will maintain the strongest bonds with each member of their cohort. Periodic phone calls and emails will help participants to feel connected to their leader, and the cohort meetings themselves will be structured to encourage connections between participants. The annual conferences and in-person cohort gatherings will provide momentum for continuing in the program. Whenever a participant misses a cohort meeting, another member and/or the preacher-mentor will contact them to strengthen their commitment.

Obstacle #3: The Hiring of a Director The ideal director for this program is someone with a background in homiletics, a passion for strengthening small churches, and the capacity to work with an administrative assistant to stay on top of the details for the ministry. The director will be the face of the ministry and have an especially important role in the identification of emerging preachers, traveling to presbytery meetings, workshops, and other gatherings where potential participants will be available for conversation. The ability to develop an eighteen-month program which trains preachers in a cohesive manner will require an understanding of homiletical thought. In an ideal world, the director would also be able to convey some of the training and support of the participants him/her/themselves.

The most ideal candidate for this position would be a pastor with a Th.M., D.Min., or Ph.D. focused on preaching. Degrees such as these will help the director approach the ministry in a more structured way than someone without this training with great strengths in preaching but without the rigorous approach garnered by pursuing one of these degrees.

These aspirations for the qualifications of the director are complicated by the paucity of individuals who have them, and who would also be interested in a half-time position overseeing the program. To help call the most qualified leader to this half-time role, the Synod already offers a full benefits package to all employees serving twenty hours a week or more. The ubiquity of Zoom means that the search could be nation-wide, although individuals living within the bounds of the Synod would have an advantage in the hiring process.

If the best candidate is a terrific face of the program with tremendous administrative gifts but no advanced degree in homiletics, the Executive of the Synod could work to sketch out the breadth of the program, and then depend on an even broader variety of homiletical facilitators to present it.

Document 6:

- Proposal Timetable (5 pages)

Program Timetable: Cultivating the Gift of Preaching

Compelling Preaching Initiative from The Lilly Endowment

The Synod of the Covenant

5/13/23

This timetable reflects the plan for the Synod of the Covenant's *Cultivating the Gift of Preaching* ministry and its evaluation. As noted in the proposal, the Synod plans to identify, train, and support approximately 140 emerging preachers annually through this ministry.

The Compelling Preaching grant includes an annual conference with workshops from Alma College faculty with expertise to expand preaching beyond its traditional methods, leadership by theologians from Johnson C. Smith Theological Seminary, and spiritual formation by pastors-in-residence. In addition, a cohort led by preacher-mentors will include two overnight gatherings and monthly zoom meetings featuring videos from guest homiletics, spiritual disciplines, and sermon discussions. A new cycle of 35 participants will begin each June of 2024-2027, with the expectation that further cycles will continue though funding from the grant will be complete. (These further cycles are not included in this timeline because they will not be funded by this grant.)

Descriptions of each year's activities become briefer when they are repeated from prior descriptions. *Evaluation steps are italicized.*

Fall (Post-Grant Award) 2023

- Finalize job descriptions for Director and Administrator, with search and hiring to follow

----- 2024 -----

Winter 2024

- Plan 2024 annual conference for Cycle 1 (2024-2025), including workshops, speakers, and logistics
- Identify and hire preacher-mentors for Cycle 1
- Develop syllabus for each cycle's resources, topics and spiritual practices, and identify, contract, and schedule guest homiletics to provide videos according to this syllabus
- Focus on materials necessary for the identification of emerging preachers: website development, social media, collateral materials, etc. while networking as possible

Spring 2024

- Network and publicize the opportunities to identify participants in Cycle 1, registering 35 participants and placing them into cohorts by geography
- Finalize plans for 2024 annual conference to optimize training and support of participants
- Flesh out syllabus plans for training on homiletics, rhetoric, new media, etc., and for supporting participants through spiritual disciplines and discipleship

Summer 2024

- Hold 2024 annual conference for Cycle 1 participants
- *Initiate longitudinal study of participants through pre-test survey of participants to gain baseline data on comfort with and frequency of preaching (including non-traditional forms of proclamation), spiritual health, etc.*
- *After the conference, initiate rigorous evaluations from participants and leaders*
- Initiate monthly cohort meetings for Cycle 1 (ongoing through November 2025)

Fall 2024

- Begin planning for 2025 Annual Conference
- Begin networking for Cycle 2 (2025-26)

----- 2025 -----

Winter 2025

- Cycle 1
 - Hold in person cohort gatherings for training and support of participants, *with evaluation to follow*
 - *Begin written listener surveys for participants' sermons, with each participant gaining feedback on two sermons during 2025*
- Cycle 2
 - Identify and hire preacher-mentors for Cycle 2
 - Network and publicize the opportunities to identify participants in Cycle 2
- Further clarify plans for 2025 annual conference for Cycles 1 and 2
- Facilitate increase in per capita of 7 cents to provide additional funding beginning in 2026

Spring 2025

- Cycle 2
 - Register up to 35 participants and place into cohorts
 - Evaluate and adapt Cycle 2 syllabus *based on feedback from Cycle 1 participants/leaders*
- Finalize plans for 2025 annual conference to optimize training and support of Cycles 1 and 2

Summer 2025

- Hold 2025 annual conference (with attendees from Cycles 1 and 2), *initiating longitudinal study for Cycle 2*
- *After the conference, initiate rigorous evaluations from participants and leaders*
- Initiate monthly cohort meetings for Cycle 2 (ongoing through November 2026)

Fall 2025

- Cycle 1
 - *Conduct progress review with participants by preacher-mentor toward more faithful and effective preaching*
 - *Hold cohort gatherings and celebrate completion of program, and continue longitudinal study by surveying participants at conclusion of program*
- *Initiate annual survey of presbytery leaders to discover program impact on their needs*
- *Complete annual assessment of success in identifying, training, and supporting emerging preachers throughout the Synod*
- *Begin planning for 2026 Annual Conference*
- *Begin identification of participants for Cycle 3 (2026-7)*

----- 2026 -----

Winter 2026

- *Cycle 2: in-person cohort gatherings and initiation of listener surveys throughout 2026*
- *Cycle 3: hire preacher-mentors and network with potential participants*
- *Further clarify plans for 2026 annual conference for Cycles 2 and 3*
- *Initiate discussions about contributions from other midcouncils, budgeted for 2027*

Spring 2026

- *Cycle 3: register up to 35 participants and place in cohorts; evaluate and adapt syllabus*
- *Finalize plans for 2026 annual conference for Cycles 2 and 3*

Summer 2026

- *Hold 2026 annual conference (with attendees from Cycles 2 and 3), initiating longitudinal study for Cycle 3*
- *After the conference, initiate rigorous evaluations from participants and leaders*
- *Initiate monthly cohort meetings for Cycle 3 (ongoing through November 2027)*

Fall 2026

- Cycle 2
 - *Conduct progress review with participants by preacher-mentor toward more faithful and effective preaching*
 - *Hold cohort gatherings and celebrate completion of program, and continue longitudinal study by surveying participants at conclusion of program*
- *Initiate annual surveys of program alumni as part of longitudinal study, and continue annual surveys of presbytery leaders, to learn impact of program on presbytery's needs*
- *Complete annual assessment of success in identifying, training, and supporting emerging preachers throughout the Synod*
- *Begin planning for 2027 Annual Conference*
- *Begin identification of participants for Cycle 4 (2027-2028)*

----- 2027 -----

Winter 2027

- Cycle 3: in-person cohort gatherings and *initiation of listener surveys throughout 2027*
- Cycle 4: hire preacher-mentors and network with potential participants
- Further clarify plans for 2027 annual conference for Cycles 3 and 4

Spring 2027

- Cycle 4: register up to 35 participants and place in cohorts; *evaluate and adapt syllabus*
- Finalize plans for 2027 annual conference for Cycles 3 and 4

Summer 2027

- Hold 2027 annual conference (with attendees from Cycles 3 and 4), *initiating longitudinal study for Cycle 4*
- *After the conference, initiate rigorous evaluations from participants and leaders*
- Initiate monthly cohort meetings for Cycle 4 (ongoing through November 2028)

Fall 2027

- Cycle 3
 - *Conduct progress review with participants by preacher-mentor toward more faithful and effective preaching*
 - *Hold cohort gatherings and celebrate completion of program, and continue longitudinal study by surveying participants at conclusion of program*
- *Undertake annual (longitudinal) survey of program alumni, to evaluate frequency of preaching, spiritual health, etc., and of presbytery leaders, to learn impact of program on presbytery's needs*
- *Complete annual assessment of success in identifying, training, and supporting emerging preachers throughout the Synod*
- Begin planning for 2028 Annual Conference

----- 2028 -----

Winter 2028

- Cycle 4: in-person cohort gatherings and *initiation of listener surveys throughout 2028*
- Further clarify plans for 2028 annual conference for Cycle 4

Spring 2028

- Finalize plans for 2028 annual conference for Cycle 4

Summer 2028

- Hold 2028 annual conference for Cycle 4 attendees
- *After the conference, initiate rigorous evaluations from participants and leaders*

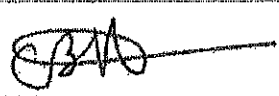
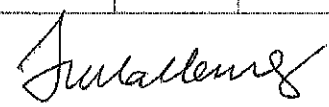
Fall 2028

- Cycle 4
 - *Conduct progress review with participants by preacher-mentor toward more faithful and effective preaching*
 - *Hold cohort gatherings and celebrate completion of program, and continue longitudinal study by surveying participants at conclusion of program*
- *Undertake annual (longitudinal) survey of program alumni, to evaluate frequency of preaching, spiritual health, etc., and of presbytery leaders, to learn impact of program on presbytery's needs*
- *Complete annual/final assessment of success in identifying, training, and supporting emerging preachers throughout the Synod*

Documents 7-9:

7. Line-Item Budget (2 pages)
8. Budget Narrative (4 pages)
9. Copy of Organization's Current Year Operating Budget (3 pages)

Line Item Budget: Cultivating the Gift of Preaching							
The Compelling Preaching Initiative from the Lilly Endowment							
The Synod of the Covenant							
5/13/23							
		2024	2025	2026	2027	2028	Total
Income							
	Lilly Endowment Grant	175,091	280,365	279,728	269,407	245,409	1,250,000
	Other Funding Sources						
	Other MidCouncil Partners				20,000		20,000
	Per Capita Increase			4,942	4,942	4,942	14,825
	Participant/Church Contributions	37,500	37,500	37,500	37,500		150,000
	Total Income	212,591	317,865	322,170	331,848	250,351	1,434,825
Expenses							
	Program Director	35,000	36,050	37,132	38,245	39,393	185,820
	Program Administrator	21,000	21,630	22,279	22,947	23,636	111,492
	Fringe Benefits	28,350	29,201	30,077	30,979	31,908	150,514
	FICA/SECA	4,284	4,413	4,545	4,681	4,822	22,744
	Mileage (Staff)	6,288	6,477	6,671	6,871	7,071	28,076
	Food/Lodging (Staff)	4,800	4,944	5,092	5,245	5,397	21,432
	Total Personnel	99,722	102,714	105,795	108,969	112,126	520,078
	Computer Hardware	1,250	1,250	1,250	1,300	1,300	6,350
	Supplies	1,000	1,030	1,061	1,093	1,126	5,309
	Graphics/Printing/Web Design	6,000	4,120	4,244	4,371	2,251	20,986
	Total Equipment and Office Expenses	8,250	6,400	6,555	6,764	4,677	32,645
	Mileage	12,969	26,716	27,518	28,343	14,597	110,143
	Airfare/Travel from Outside Synod	2,800	5,047	5,198	5,354	3,151	21,551
	Meals	11,625	23,000	23,690	24,401	12,566	95,282
	Lodging	6,340	13,264	13,662	14,072	7,136	54,473
	Conference Space	4,100	4,600	4,738	4,880	4,615	22,933
	Annual Conference	37,834	72,627	74,806	77,050	42,065	304,382
	Mileage		10,270	10,578	10,896	11,223	42,967
	Airfare/Travel from Outside Synod		1,442	1,485	1,530	1,576	6,033
	Meals		3,400	3,502	3,607	3,715	14,224
	Lodging		6,000	6,180	6,365	6,556	25,102
	Conference Space		1,250	1,288	1,326	1,366	5,230
	Annual Cohort Meetings	-	22,362	23,033	23,724	24,436	93,556
	Mileage	12,969	36,986	38,096	39,239	25,819	153,110
	Airfare	2,800	6,489	6,684	6,884	4,727	27,584
	Meals	11,625	26,400	27,192	28,008	16,282	109,506
	Lodging	6,340	19,264	19,842	20,437	13,692	79,575
	Conference Space	4,100	5,850	6,026	6,206	5,980	28,162
	Total In Person Gatherings	37,834	94,989	97,839	100,774	66,501	397,938

Preacher-Mentors	20,000	61,800	63,654	65,564	45,020	256,038
Workshop Leaders	3,000	3,120	3,214	3,310	3,409	16,053
Keynote Speaker	2,000	2,080	2,142	2,207	2,273	10,702
Guest Homiletics	2,400	4,800				7,200
Pastors in Residence	3,000	4,680	4,820	4,965	3,409	20,875
Leader Expenses	30,400	76,480	73,830	76,045	54,112	310,868
Books/Resources for Constituents	12,000	12,360	12,731	13,113		50,204
Miscellaneous	9,500	9,785	10,079	10,381	10,262	50,007
Other Ministry Expense	21,500	22,145	22,809	23,494	10,262	100,210
Sub-Total Expenses	197,706	302,728	306,828	316,046	238,429	1,361,738
Indirect Costs	14,885	15,136	15,341	15,802	11,921	73,087
GRAND TOTAL	212,591	317,865	322,170	331,848	250,351	1,434,825
Less Other Revenue	37,500	37,500	42,442	62,442	4,942	184,825
Provided by Lilly	175,091	280,365	279,728	269,407	245,409	1,250,000
						
Rev. Charles B. Hardwick, Ph.D.						
Executive						
The Synod of the Covenant						
						
Ruling Elder Frank Walburg						
Finance Committee Chair						
The Synod of the Covenant						

Budget Narrative: Cultivating the Gift of Preaching
Compelling Preaching Initiative from The Lilly Endowment
The Synod of the Covenant
5/13/23

This budget narrative describes the revenue and expense model informing the Synod of the Covenant's *Cultivating the Gift of Preaching* project budget (see spreadsheet). As noted in the proposal, the Synod plans to identify, train, and support approximately 35 emerging preachers annually through this ministry. The director of this ministry will work closely with the Synod Executive, Charles B Hardwick, to ensure that the offerings align closely with the Synod's larger goals and plans to strengthen congregations and presbyteries.

This budget assumes work to set up the program for its launch in June of 2024, beginning the first of four eighteen-month cycles. Accordingly, expenses are lower in both 2024 during ramp up and 2028 while the Lilly-funded season of this ministry is winding down. During each cycle, the Compelling Preaching grant will offer participants an annual conference featuring workshops, keynotes, and worship and other spiritual formation. In addition, participants will be part of a cohort with monthly zoom meetings and two in-person overnight gatherings.

Income

The primary source of revenue for *Cultivating the Gift of Preaching* will be the Compelling Preaching grant, for a total of \$1.25 million.

Three other funding sources will also generate income. Each cycle, participants and churches will contribute \$250 and \$1000, respectively, for the eighteen-month program. These modest contributions will create buy-in from the nascent preachers and their congregations, both of whom will be (literally) be more invested in the outcomes as they participate in their costs in a small way.

A 7-cent increase in per capita from the Synod's estimated 70,000 members beginning in 2026 will provide additional income. The Synod has not raised per capita since 2018, and this increase from the current \$3.25 rate should be well-received by the third year of the program, by which time approximately 100 new preachers will be in the program throughout the Synod.

By 2027, other mid council partners will contribute as well. The Synod's eleven constituent presbyteries often contribute to its leadership equipping ministries, and in this case, it will be possible to extend participation in the program to other presbyteries or synods beyond the Synod of the Covenant. \$20,000 is a conservative goal for this type of income for the program's fourth cycle.

Expenses

The following expenses will be used solely to carry out *Cultivating the Gift of Preaching*. An annual inflation rate of 3% has been assumed.

Personnel The Synod will hire two half-time staff members, a program director and administrator, both fully funded by the grant and other income described above.

The program director will have gifts in areas like homiletics, networking, and spiritual encouragement. An ordained pastor with a Ph.D. in preaching or a related field would be ideal, and the position's salary (\$35,000) is budgeted with that hope. The program administrator will have gifts in organization, event planning, and detail-management. The position's salary (\$21,000) is budgeted at a level with the Synod's current half-time office manager.

The Synod's personnel policies offer fringe benefits such as health insurance and pension to all employees beginning at twenty hours/month. As such both positions would receive these benefits and the numbers included reflect their actual cost (director: \$13,650; administrator: \$12,000). In addition, the benefits include a modest continuing education budget (\$1500) and cell phone subsidy (\$1200) for the director.

FICA/SECA costs include the employer's side of those employment taxes, 7.65% of the staff's salaries.

Mileage and food/lodging will cover the director's travel to presbytery meetings and other gatherings to further the ministry. Networking at presbytery meetings in particular will help identify potential participants in the program, allowing for conversations, presentations, and listening sessions. Traveling to annual in-person cohort meetings will help the director receive feedback about possibilities for continuous improvement in the program while also providing spiritual care for the participants and preacher-mentors.

The 2024-27 estimates assume an average of two trips per month at an average of a 400-mile round trip, with food and lodging of \$200/trip. When the Lilly-funded season of this ministry winds down in 2028, the estimates are reduced accordingly.

Equipment and Office Expense These expenses will provide back-office needs for a successful program.

The two new staff members will receive a computer, which has been budgeted at the cost of leasing current staff computers through 2026 (\$625/each) and then a slight increase for a new lease in 2027. Supplies have been budgeted at a minimal level (\$1,000). The graphics/printing/web design imagine collateral materials at \$4,000 from 2024-27 and \$2,251 in 2028 as the Lilly-funded season of this ministry winds down. 2024's budget includes a \$2,000 outlay for web design.

In Person Gatherings Participants will attend two annual conferences and two In-person cohort gatherings during their 18-month cycle. This section of the budget is detailed in two subsections.

Annual Conference Much of the training and support of the participants will occur at the annual conference, occurring each summer at Alma College. In 2024 and then again in 2028, one cycle of 40 participants and conference leaders will attend, while in 2025-27 two cycles will attend each conference, for a total attendance of 80.

The travel costs have been estimated with all attendees driving an average of 550 miles round trip, other than flights and associated costs for the 4-7 keynoters and preacher-mentors who live outside the Synod.

Meals have been calculated by Alma College and assume standard meals except for "upscale" meals on the first and last day, including a celebratory dinner on the last night of the conference at a local restaurant. Lodging rates have been calculated by Alma College in campus housing for all participants, and at a local hotel for keynoter and preacher-mentors. The conference space budget has been calculated by Alma College and includes the chapel, workshop space, and dining accommodations.

Annual Cohort Meetings Participants will attend two overnight gatherings with their cohorts during the second calendar year of their 18-month cycle.

Especially important spiritual support and nurturing will occur at annual gatherings of the cohort (which complement the annual conference). Cohorts will be organized geographically, so the travel figures for each gathering reflect far lower costs for mileage (calculated at 200 miles round trip for 38 participants and preacher-mentors). The budget also includes flights and associated travel costs for two non-resident preacher-mentors. Meals are estimated at \$85/gathering per participant, lodging at \$150/night, and conference space at \$250 (most likely a donation to a local congregation) per gathering.

Leader Expense A broad network of leaders will train and support participants throughout the program.

Five preacher-mentors will be paid \$12,000 for each eighteen-month cycle, which includes two annual conferences, two overnight cohort gatherings, monthly zoom meetings, and periodic one-on-one sessions with each participant (see p. 5 of the proposal narrative). The budget assumes a monthly distribution toward the stipend, beginning in June and lasting for eighteen months.

Workshop leaders, with expertise in new media, communications, homiletics, and rhetoric (mostly from Alma College) will be paid \$1,000 to offer a workshop twice during an annual conference and to attend all meals with the participants.

A keynote speaker will offer two or three sessions at the annual conference, for a \$2,000 honorarium.

A library of eighteen videos by guest homileticians will be for Zoom cohort meetings; each will receive a \$400 honorarium.

Pastors in residence will plan daily worship and other opportunities to support participants and leaders in their discipleship, as well as offer pastoral care and a ministry of presence throughout the annual conference in return for a \$1500 honorarium. The grant will pay for two pastors for the smaller conferences in 2024 and 2028, and three from 2025-2028.

Other Ministry Expense These include further items to support the program.

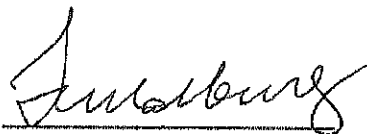
Each participant and preacher-mentor will receive books, subscriptions, and other resources budgeted at \$300 per cycle/participant. Miscellaneous expenses include the cost of processing and synthesizing hand-written listener surveys, funds for the ministry's steering committee, and other unforeseen expenses at the time of budgeting.

Indirect Costs The Synod of the Covenant will incur greater expenses in several areas due to this ministry.

Cultivating the Gift of Preaching increases the scope of the Synod's ministries and budget by approximately 50%. This increased activity will result in higher fees from professional service providers such as bookkeeping services, auditors, payroll providers, and IT support. These expenses have been estimated at 5% of the total of all other expenses, with an additional \$5000 in 2024 for set-up expenses for payroll and bookkeeping.



Rev. Charles B. Hardwick, PhD.
Executive
The Synod of the Covenant



Ruling Elder Frank Walburg
Finance Committee Chair
The Synod of the Covenant

Synod of the Covenant 2023 Operating Budget

Amended 2023 Budget approved at the fall Assembly, October 2022

	2022 Budget	2022 Est/Act	2023 Budget
Income			
4000 Per Capita	271,600	280,000	271,411
4002 Mission			
4003 Basic Mission	45,000	45,000	45,000
4013 New Covenant INCOME	52,944	52,944	49,573
4023 New Covenant GROWTH	83,785	83,856	83,350
4033 New Covenant TRUST	18,830	20,665	12,881
Sub Total 4013, 4023, 4033 Draws for Synod Operations	155,559	157,465	145,804
4043 Campus Ministry Fund TO IN/OUT	0	0	0
Total 4003 Basic Mission/Investment Funds	200,559	202,465	190,804
4004 Peacemaking	0	5,305	5,000
Total 4002 Mission	200,559	207,770	195,804
4008 Presbyterian Women	3,250	5,061	2,500
4060 Investment Earnings	0	0	0
4070 PILP & Church Loans	5,000	0	0
Total Income	480,409	492,831	469,715

Memo:

From SOC Investment Accounts for Operations	155,559	39,366	0
From PILP Money Market	0	118,098	145,804
Total	155,559	157,464	145,804
20 Quarter Average: N.C.	4.25%	4.25%	4.00%
N.C.T.	5.00%	5.00%	4.00%

Expenses

5000 Ministry

5100 Grants and Scholarship

5120 Matthew 25 Grants	50,000	50,000	50,000
5125 Church Leader Scholarships	40,000	42,000	35,000
Total 5100 Grants and Scholarship	90,000	92,000	85,000

5600 Leadership Development

5605 Non-Leaderwise Equipping	7,000	8,363	7,300
5615 Leaderwise	10,000	11,000	10,000
5625 Cabinet on Ethnic Church Affairs (CECA) TO OSCC	0	0	0
5630 Racial Justice/Inclusion	7,145	0	7,500
5640 Other Ministry Expense	0	2,573	0
5645 Preaching Workshops	4,500	4,500	4,500
5650 College Ministry TO IN/OUT	0	0	0
5660 Support for Inovative Ministries	7,000	9,000	5,000
56xx Coaching (plus 6710 Leadership Formation)	0	0	7,000
56xx CRE Support	0	0	7,500
Total 5600 Leadership Development	35,645	35,436	48,800
Total 5000 Ministry	125,645	127,436	133,800

6700 Presbytery Support Expenses

6705 Admin (Executive discretionary)	5,000	0	5,000
6710 Presbytery Leadership Formation (EP/GPs)	7,500	50	0
6720 EP/GP Forum - SC Forum	6,000	3,250	5,000
Total 6700 Presbytery Support Expenses	18,500	3,300	10,000

5900 Office Expenses

5920 Legal Services	2,000	0	0
5930 Synod Assembly	9,000	14,106	16,000
5935 Com/Network Expenses	500	0	0
5950 Moderator's Forum	1,500	0	0
5960 Ohio Council of Churches	3,000	3,000	3,000
5970 Samaritas	1,500	1,500	1,500
Total 5900 Office Expenses	17,500	18,606	20,500

6000 Office Operations

6010 Audit/Review	8,000	13,036	6,000
60xx Bookkeeping Services	0	9,050	7,500
6015 Bank Fees	0	2,933	3,000
6025 Communications Strategies	6,300	5,261	6,000
6030 Computer/Maintenance	2,000	1,799	2,000
6035 Copier Rental/Maintenance	6,000	4,653	5,000
6040 Equipment Replacement	150	0	0
6045 Equipment/Software	2,300	2,825	3,000
6050 Insurance	5,518	5,518	6,000
6055 Miscellaneous	2,000	189	2,000
6070 Office Supplies & Expenses	2,000	465	2,000
6075 Payroll Services	1,500	1,000	1,000

6080 Postage	150	147	500
6090 Rent	12,000	12,000	12,000
6095 Telephone	500	393	400
6102 PJC	0	777	1,000
6110 Synod Payroll Taxes	0	3,418	4,361
Total 6000 Office Operations	48,418	63,464	61,761
Total 5900 Office Expenses	65,918	82,070	82,261
6200 Committee Expenses			
6210 Finance (Trustees)-Miscellaneous	0	0	1,000
6220 Governance-Miscellaneous	0	0	1,000
6230 Human Resources-Miscellaneous	0	0	1,000
6240 Nominations - Miscellaneous	0	0	1,000
62xx Representation - Miscellaneous	0	0	1,000
Total 6200 Committee Expense	0	0	5,000
6600 Executive			
6601 Executive Salary	69,308	72,448	84,308
6602 Executive SECA	9,138	9,373	9,127
6603 Executive BOP	44,144	45,306	46,530
6604 Executive Housing	50,000	50,000	35,000
6605 Executive Phone	1,440	1,440	1,440
6606 Executive Medical Reimbursement	1,200	1,200	1,200
Total 6600 Executive	175,230	179,767	177,605
6xxx SOC Staff Common H.R. Expenses			
6615 Continuing Education (Con Ed)	4,000	6,000	5,500
6620 Travel	13,100	13,850	16,850
6622 Meals	0	2,792	0
6624 Honorarium	0	-2,994	-4,500
6625 Auto	0	135	0
Total 6xxx SOC Staff Common H.R. Expenses	17,100	19,783	17,850
6630 Office Manager			
6631 Salary	39,520	20,678	22,497
6632 Medical Reimbursement (OM) - Con Ed	600	1,200	600
66xx Con Ed (OM)	500	500	500
6634 BOP - (OM)	0	11,115	12,093
Total 6630 Office Manager	40,620	33,493	35,690
6640 Stated Clerk			
6641 Salary (SC)	17,396	16,544	16,806
Total 6640 Stated Clerk	17,396	16,544	16,806
6650 OSCC			
6650 OSCC Salary	OSCC 20,000	7,465	18,415
6651 (Old 5625 CECA)		113	
Total 6650 OSCC	20,000	7,578	18,415
Uncategorized Expense	0	717	0
Total Expenses	480,409	470,688	497,427
Net Operating Surplus/Deficit	0	22,143	-27,112

Document 10:

- Copy of Organization's Annual Financial Statement (16 pages)

**THE SYNOD OF THE COVENANT,
PRESBYTERIAN CHURCH (U.S.A.)**

REVIEWED FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Synod Trustees and the Synod Assembly
The Synod of the Covenant, Presbyterian Church (U.S.A.)
Bloomfield Hills, MI

We have reviewed the accompanying financial statements of The Synod of the Covenant, Presbyterian Church (U.S.A.) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Synod of the Covenant, Presbyterian Church (U.S.A.) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

DeMarco & Associates CPAs, LLC

May 3, 2023

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 213,926	\$ 633,039
Contributions receivable	49,046	60,830
Investments, without donor restrictions	5,561,412	6,174,376
Property and equipment, net of accumulated depreciation	2,497	3,019
Deposits	1,000	1,000
Investments, with donor restrictions	<u>648,090</u>	<u>810,398</u>
 Total assets	 <u>\$ 6,475,971</u>	 <u>\$ 7,682,662</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 8,352	\$ 2,836
Accrued and withheld amounts	3,804	11,498
Amounts held for others	<u>-</u>	<u>5,821</u>
Total liabilities	12,156	20,155
 Net assets		
Net assets without donor restrictions		
Undesignated	86,555	509,965
Designated	<u>5,611,437</u>	<u>6,224,411</u>
Total net assets without donor restrictions	5,697,992	6,734,376
 Net assets with donor restrictions	 <u>765,823</u>	 <u>928,131</u>
Total net assets	<u>6,463,815</u>	<u>7,662,507</u>
 Total liabilities and net assets	 <u>\$ 6,475,971</u>	 <u>\$ 7,682,662</u>

See accompanying notes and independent accountants' review report.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

	2022		Totals
	Without Donor Restrictions	With Donor Restrictions	
Revenue and other support			
Per capita apportionment	\$ 270,849	\$ -	\$ 270,849
Basic mission	50,686	-	50,686
Presbyterian women	-	-	-
Peacemaking	-	8,362	8,362
Investment income (loss)	(872,523)	(135,079)	(1,007,602)
Miscellaneous income	1,240	-	1,240
Net assets released from restrictions	35,591	(35,591)	-
Total revenue and other support	<u>(514,157)</u>	<u>(162,308)</u>	<u>(676,465)</u>
Expenses			
Mission and program expenses	329,138	-	329,138
Administrative expenses	193,089	-	193,089
Total expenses	<u>522,227</u>	<u>-</u>	<u>522,227</u>
Change in net assets	(1,036,384)	(162,308)	(1,198,692)
Net assets at beginning of year	<u>6,734,376</u>	<u>928,131</u>	<u>7,662,507</u>
Net assets at end of year	<u>\$ 5,697,992</u>	<u>\$ 765,823</u>	<u>\$ 6,463,815</u>

	2021		
	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and other support			
Per capita apportionment	\$ 312,462	\$ -	\$ 312,462
Basic mission	131,104	-	131,104
Presbyterian women	2,666	-	2,666
Peacemaking	-	14,366	14,366
Investment income	677,903	113,364	791,267
Miscellaneous income	2,172	-	2,172
Net assets released from restrictions	40,234	(40,234)	-
Total revenue and other support	1,166,541	87,496	1,254,037
Expenses			
Mission and program expenses	304,792	-	304,792
Administrative expenses	176,736	-	176,736
Total expenses	481,528	-	481,528
Change in net assets	685,013	87,496	772,509
Net assets at beginning of year	6,049,363	840,635	6,889,998
Net assets at end of year	\$ 6,734,376	\$ 928,131	\$ 7,662,507

See accompanying notes and independent accountants' review report.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2022 and 2021

	<u>Program</u>	<u>Administrative</u>	<u>2022 Total</u>
Expenses			
Personnel services and related expenses	\$ 131,452	\$ 124,046	\$ 255,498
Office operations and meeting expenses	73,165	69,043	142,208
Grants and scholarships	92,328	-	92,328
Leadership committee	32,193	-	32,193
Total expenses	<u>\$ 329,138</u>	<u>\$ 193,089</u>	<u>\$ 522,227</u>

	<u>Program</u>	<u>Administrative</u>	<u>2021 Total</u>
Expenses			
Personnel services and related expenses	\$ 121,395	\$ 120,551	\$ 241,946
Office operations and meeting expenses	56,578	56,185	112,763
Grants and scholarships	88,100	-	88,100
Leadership committee	38,719	-	38,719
Total expenses	<u>\$ 304,792</u>	<u>\$ 176,736</u>	<u>\$ 481,528</u>

See accompanying notes and independent accountants' review report.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (1,198,692)	\$ 772,509
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized (gain) loss on investments	1,107,586	(528,751)
Depreciation expense	522	522
Write offs of note receivables	-	8,637
Changes in operating assets and liabilities:		
(Increase) in:		
Contributions receivable	11,784	45,170
Employee receivable	-	3,879
Deposits	-	233
Increase in:		
Accounts payable	5,516	(7,243)
Accrued and withheld amounts	(7,694)	11,498
Funds held for others	(5,821)	2,397
Net cash provided by (used in) operating activities	(86,799)	308,851
 Cash flows from investing activities		
Proceeds from sales/maturities of investments	52,112	114,562
Purchases of investment securities	(384,426)	(252,887)
Net cash used in investing activities	(332,314)	(138,325)
 Net change in cash	(419,113)	170,526
 Cash at beginning of year	633,039	462,513
 Cash at end of year	\$ 213,926	\$ 633,039

See accompanying notes and independent accountants' review report.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note A – Significant accounting policies

Nature of operations

The Synod of the Covenant (the Synod) is one of the administrative regions of the Presbyterian Church (U.S.A.). The Synod embraces 11 presbyteries, approximately 665 congregations, and in excess of 82,000 active members primarily in Michigan and Ohio. The Synod's responsibilities include recruitment and training of leaders, coordinating ministries in higher education, assisting racial ethnic groups, coordinating resources for the development of new churches and the redevelopment of older churches, promoting responsible stewardship, and working ecumenically on behalf of presbyteries and congregations.

Basis of accounting

The Synod's financial statements have been prepared on the accrual basis of accounting. Under this method of accounting, revenues and expenses are identified with a specific period of time and are recorded as incurred without regard to the date of receipt or the payment of cash.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and cash equivalents

The Synod considers all highly liquid debt instruments purchased with an original maturity of twenty-four months or less to be cash and/or equivalents and are deemed to approximate fair value. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. While the Synod's cash balances do at times exceed federally insured limits, the organization feels it is not exposed to any significant risk.

Investments

The organization's investments and certain cash equivalents are held by a national investment banking and financial services company and managed by an investment advisor in accordance with the terms of an investment advisory agreement and the Synod's investment policy.

Contributions

Contributions, including unconditional promises to give, are recorded as pledged. All contributions are available for use unless specifically restricted by the donor. Unconditional promises to give, which consist of presbytery contributions and irrevocable pooled life income funds, are deemed to be collected in future periods and are recorded at the present value of their net realizable value.

Endowment contributions within the pooled life income funds, are unconditional promises to give in which the principal is subject to donor-imposed restrictions to retain permanently. Earnings on these funds may or may not have donor-imposed restrictions, depending on the terms of the agreement.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note A – Significant accounting policies (continued)

Property and equipment

Property and equipment purchased are carried at cost. Donated items are carried at the assets fair value at the date of donation. Upon retirement or disposal, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is recorded as revenue or expense. Depreciation is provided using straight-line methods over the estimated useful life of the asset, ranging from 3 to 7 years. The Synod uses a capitalization policy of \$1,000.

Income and other taxes

The Internal Revenue Service has determined that the Synod is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code and has also determined that the Synod is publicly supported. As a result, no provision for federal or state income taxes has been made.

FASB ASC 740, *Income Taxes*, requires entities to disclose in their financial statements the nature of any uncertainties in their tax position. Tax years including the fiscal year ended December 31, 2019 and later are subject to examination by tax authorities.

Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. The Synod does not believe that it has any uncertain tax positions with respect to these or other matters and has not recorded any unrecognized tax benefits or liabilities for penalties or interest.

Leases

The Company determines if an agreement includes a lease at inception. Leases are included in the balance sheet as Right-of-use (ROU) assets and the corresponding Lease liability. ROU assets and lease liabilities are recognized based upon the present value of the future lease payments over the term. The Company does not recognize ROU assets and corresponding lease liabilities for short term leases, or those with a term less than 12 months. Instead, those payments are reflected in the income statement as expense, on a straight line basis, over the term of the lease.

Adoption of a new accounting pronouncement

The Company adopted Accounting Standards Update (ASU) 2016-02 (as amended) *Leases*, Topic 842 as of January 1, 2022. Topic 842 requires lessees to recognize a right of use asset and a corresponding lease liability for leases with terms greater than 12 months.

The Company elected the transition method and applied the following transition practical expedients upon adoption of the new standard:

- To apply the provisions of Topic 842 at the adoption date, instead of applying them to the earliest period presented in the financial statements.
- The package of practical expedients permitting the Company to not reassess (1) the lease classification of existing leases; (2) whether existing and expired contracts are or contain leases; (3) initial direct costs for existing leases.

The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2022.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note A – Significant accounting policies (continued)

Net asset categories

Net assets, revenues, gains and losses are classified based upon the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions

Net assets that are available for use in general operations and not subject to donor or grantor imposed restrictions.

Net assets with donor restrictions

Net assets that are subject to donor or grantor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates the contribution be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and support services on several bases and estimates. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Reclassifications

Certain 2021 amounts have been reclassified to conform to the 2022 presentation.

Subsequent events

Subsequent events were evaluated through May 3, 2023, the date the financial statements were available to be issued.

Note B – Liquidity and availability of financial assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 213,926	\$ 633,039
Contributions receivable	49,046	60,830
Total	<u>\$ 262,972</u>	<u>\$ 693,869</u>

As part of the Synod's liquidity management, they retain a reserve of about \$100,000 in the checking account at all times. If operating cash shortfalls did occur, any board designated funds could be directed for use by the Trustees of the Synod. The Synod has not had any cash shortfalls in recent years, and as such, has no need for any additional cash resources.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note C – Investments

Investments consist of marketable securities managed by a third party brokerage firm. The change during the period in the aggregate market value of marketable securities held at the end of the period is reported as appreciation of investments. Investments consist of the following as of December 31, 2022 and 2021 measured at quoted prices in active markets for identical assets (level 1):

	2022	2021
Mutual funds	\$ 4,876,629	\$ 5,982,128
Depository/money market accounts	1,332,873	1,002,646
Total	<u>\$ 6,209,502</u>	<u>\$ 6,984,774</u>

Investment income for 2022 and 2021, is made up of the following:

	2022	2021
Dividends and interest, net of fees	\$ 72,170	\$ 63,594
Realized gains on investments	27,814	198,562
Unrealized gains (losses) on investments	(1,107,586)	528,751
Total	<u>\$ (1,007,602)</u>	<u>\$ 791,267</u>

Note D – Property and equipment

Property and equipment consisted of the following at December 31, 2022 and 2021:

	2022	2021
Leasehold improvements	\$ 3,256	\$ 3,256
Furniture	15,969	15,969
Total costs	19,225	19,225
Less accumulated depreciation	16,728	16,206
Net property and equipment	<u>\$ 2,497</u>	<u>\$ 3,019</u>

Depreciation expense for both years ending December 31, 2022 and 2021 was \$522.

Note E – Irrevocable split interest agreements

The Synod has recorded income from pooled life income funds and gift annuities established through irrevocable split interest agreements with donors.

The basis for recognizing the asset in the Statement of Financial Position is the present value, which was determined by the actuaries of the Presbyterian Church (U.S.A.) Foundation. The discount rate used in the calculation to determine the amount necessary to invest to meet future obligations was 4% for both 2022 and 2021. The present value represents the current fair market value of the account, reduced by the estimated actuarial liability necessary to meet future payments to the life income beneficiaries.

The market value of the assets held under life income gifts represents the gross fund value that would be available if there were no future payment obligations to an income beneficiary. The market value changes due to income earned, payments to the life income beneficiaries and market fluctuations.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note F – Benefit plans

The Synod contributes to a multiple employer benefit plan for its eligible clergy and lay employees that is administered by the Presbyterian Church (U.S.A.). The Synod contributes to a defined benefit pension plan and death and disability insurance plan at 11% of each eligible member's annual salary. This amounted to \$42,840 and \$59,930 for the years ended December 31, 2022 and 2021, respectively.

The Synod's employees are also eligible to participate in a multi-employer 403(b) plan administered by the Presbyterian Church (U.S.A.). This plan does not provide for employer contributions.

Note G – Operating leases

The Synod leases its office facility from an unrelated party and is accounted for as a short term lease. The Synod also leases certain office equipment over various terms, that began prior to 2022.

Future minimum lease payments under these leases are as follows:

2023	\$	5,016
2024		3,420
2025		3,420
2026		3,420
2027		-
Total	\$	<u>15,276</u>

Rent expense for the years ended December 31, 2022 and 2021 was \$18,216 and \$17,380, respectively.

Note H – Functionalized expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization which are allocated on a square footage basis, as well as salaries and wages, benefits payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note I – Net assets

Net assets without donor restrictions consist of the following at December 31, 2022 and 2021:

Board designated funds for:	2022	2021
Support of the established mission and ministry of the Synod	\$ 3,724,333	\$ 4,528,739
Support presbyteries and congregations for acquisitions of funds necessary for church development	1,332,873	1,002,656
Support for Synod Campus Ministry	554,231	693,016
Total designated	5,611,437	6,224,411
Total undesignated	86,555	509,965
Total net assets without donor restrictions	\$ 5,697,992	\$ 6,734,376

Net assets with donor restrictions were available for the following purposes as of December 31, 2022 and 2021:

	2022	2021
Mobile health fair	\$ 5,330	\$ 5,330
Self-development of people	3,501	3,501
Heiserman	35,000	35,000
Miller Ohio campus ministry	100	100
Covenant mission exchange	4	4
Peace offering from churches	33,766	33,766
Disaster relief	1,732	1,732
Campus ministries	648,090	810,398
Perpetual continuation of the Synod tradition	38,300	38,300
Total	\$ 765,823	\$ 928,131

THE SYNOD OF THE COVENANT, PRESBYTERIAN CHURCH (U.S.A.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note J – Fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Synod has the ability to access.

Level 2: Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Synod's investments are all considered classified as level 1.

Note K – Risks and uncertainties

The Synod holds various types of investments. Investments in mutual funds are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Documents 11-12:

11. Exempt Status Charity/Foundation Status
information Form (1 page)
12. Internal Revenue Service Tax Status
Determination Letters (15 pages)

Lilly Endowment Inc.

Exempt Status and Charity/Foundation Status Information Form

Lilly Endowment Inc. is required by law and Internal Revenue Service (IRS) regulations to determine the exempt status and the public charity or private foundation status of each organization to which the Endowment makes a grant. Therefore, it is necessary that you supply the following information, attach the requested documents, affix the signature of a responsible officer of your organization and return one copy of this form and the requested documents to the Endowment before we will be able to process your application for a grant

1. **Name, Address, Phone, EIN:** Exact name, address, phone number and employer identification number (EIN) of your organization:

The Synod of the Covenant, Presbyterian Church (U.S.A.)
1340 W. Long Lake Rd
Bloomfield Hills, MI

Zip Code: 48302 Telephone No: (248) 729-2415 EIN No: 31-4423895

2. **Exempt Status:** Attach a copy of the most recent IRS letter determining that your organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

3. **Public Charity or Private Foundation Status:** Check one box below describing your organization and attach a copy of the most recent IRS letter determining your organization's public charity or private foundation status under the Internal Revenue Code (this may be the same letter as described in item 2):

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Church
Section 170(b)(1)(A)(i) | <input type="checkbox"/> Government Unit
Section 170(b)(1)(A)(v) | <input type="checkbox"/> Private Operating foundation
Section 4942(j)(3) |
| <input type="checkbox"/> School
Section 170(b)(1)(A)(ii) | <input type="checkbox"/> Publicly Supported Charity
Section 170(b)(1)(A)(vi) | <input type="checkbox"/> Exempt Operating Foundation
Section 4940(d)(2) |
| <input type="checkbox"/> Hospital
Section 170(b)(1)(A)(iii) | <input type="checkbox"/> Public charity with limited investment
income
Section 509(a)(2) | <input type="checkbox"/> Private non-operating Foundation
Section 509(a) |
| <input type="checkbox"/> Organization benefiting state
college or university
Section 170(b)(1)(A)(iv) | <input type="checkbox"/> Supporting Organization
Section 509(a)(3)
<input type="checkbox"/> Type I - Section 509(a)(3)(B)(i)
<input type="checkbox"/> Type II - Section 509(a)(3)(B)(ii)
<input type="checkbox"/> Type III - Section 509(a)(3)(B)(iii) | |

NOTE: Organizations without an IRS determination letter will need to establish their public charity status with independent and adequate documentation. For example, a congregation may be covered under a group ruling granted by the IRS to its parent denomination or judicatory; in such a case, the congregation would need to provide documentation of both i) the parent's group ruling and ii) the congregation's inclusion as a "subordinate" organization covered under that group ruling.

4. **Effect of Grant:** If your organization is not now a private foundation, will receipt of the grant requested from Lilly Endowment cause your organization to become a private foundation?

Yes No

5. **Lobbying:** Does your organization make expenditures to carry on propaganda or otherwise to attempt to influence legislation?

Yes No

If yes, please attach an itemized budget for the project or program for which you seek a grant from the Endowment showing that no part of the grant will be used for such activities.

Date: May 1, 2023

Charles B. Hardwick
(Signature)
Charles B. Hardwick

Synod Executive
(Please print name)
Title - Must be a responsible officer)

chip@synodofthecovenant.org
(Email address)



Presbyterian Church (U.S.A.)
Administrative Services Group

100 Witherspoon Street | Louisville, KY 40202 | pcusa.org/acorp

April 25, 2023

Synod of the Covenant
1340 W Long Lake
Bloomfield Hills, MI 48302

RE: TAX EXEMPTION

TO WHOM IT MAY CONCERN:

This letter should serve to confirm that we have verified through the records of the Presbyterian Church (U.S.A.) (Employer Identification Number: 23-6393377/Group Exemption Number: 1617) that the Synod of the Covenant (Employer Identification Number: 31-4423895), located in Bloomfield Hills, Michigan, is a synod of the Presbyterian Church (U.S.A.), is in good standing and is entitled to the Federal tax exemption granted to the Presbyterian Church (U.S.A.).

The letters attached are the most up-to-date letters we have and they all refer to the letter dated 1964 which states that the Presbyterian Church (U.S.A.), and its synods, presbyteries, and churches are exempt from federal income tax as nonprofit religious organizations under section 501(c)(3) of the Internal Revenue Code.

If you need any other information or have any questions, please feel free to contact me directly at the number listed below.

Sincerely,

A handwritten signature in blue ink that reads "Samantha E. Lund".

Samantha E. Lund
Legal Office Administrator

cc: April L. Davenport, Deputy General Counsel

Enclosures



Department of the Treasury
Internal Revenue Service

OGDEN UT 84201-0029

In reply refer to: 4077967774
Dec. 17, 2018 LTR 4167C 0
23-6393377 000000 00

00026033
BODC: TE

PRESBYTERIAN CHURCH USA
PARENT OF GEN 1617
100 WITHERSPOON STREET
LOUISVILLE KY 40202



028984

Employer identification number: 23-6393377
Group exemption number: 1617

Dear Taxpayer:

This is in response to your request dated Dec. 03, 2018, for information about your tax-exempt status.

Our records indicate we issued a determination letter to you in January 1964, and you're currently exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also recognized the subordinates on the list you submitted as exempt from federal income tax under IRC Section 501(c)(3).

For federal income tax purposes, donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106 and 2522.

Because IRC Section 170(c) describes your subordinate organizations, donors can deduct contributions they make to them.

Please refer to www.irs.gov/charities for information about filing requirements. Specifically, IRC Section 6033(j) provides that, if you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

In addition, each subordinate organization is subject to automatic revocation if it doesn't file a required return or notice for three consecutive years. Subordinate organizations can file required returns or notices individually or as part of a group return.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

4077967774
Dec. 17, 2018 LTR 4167C 0
23-6393377 000000 00
00026034

PRESBYTERIAN CHURCH USA
PARENT OF GEN 1617
100 WITHERSPOON STREET
LOUISVILLE KY 40202

Sincerely yours,

Stephen A. Martin

Stephen A. Martin
Director, EO Rulings & Agreements



IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077589886
Nov. 03, 2015 LTR 4167C 0
23-6393377 000000 00

00024358

BODC: TE

PRESBYTERIAN CHURCH USA
100 WITHERSPOON ST
LOUISVILLE KY 40202-1396



028716

Employer Identification Number: 23-6393377
Group Exemption Number: 1617
Person to Contact: Mr. Schatz
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Apr. 24, 2015, request for information about your tax-exempt status.

Our records indicate that you were issued a determination letter in January 1964, and that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on the information supplied, we recognized the subordinates named on the list you submitted as exempt from Federal income tax under section 501(c)(3) of the Code.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106 and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Jeffrey I. Cooper
Director, EO Rulings & Agreement



OGDEN UT 84201-0038

In reply refer to: 0438084623
Mar. 02, 2015 LTR 4168C 0
23-6393377 000000 00
00039621
BODC: TE

PRESBYTERIAN CHURCH USA
100 WITHERSPOON ST
LOUISVILLE KY 40202-1396



030542

Employer Identification Number: 23-6393377
Person to Contact: EO ACCOUNTS
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Feb. 19, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in 196401.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(i).

Donors may deduct contributions to you as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.


Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0438084623
Mar. 02, 2015 LTR 4168C 0
23-6393377 000000 00
00039622

PRESBYTERIAN CHURCH USA
100 WITHERSPOON ST
LOUISVILLE KY 40202-1396

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Ginni L. Redfern
Program Manager, AM OPS 1



IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0752251399
Oct. 30, 2013 LTR 4168C 0
23-6393377 000000 00
Input Op: 0752251399 00032097
BODC: TE

PRESBYTERIAN CHURCH USA
100 WITHERSPOON ST
LOUISVILLE KY 40202-6300



119280

Employer Identification Number: 23-6393377
Person to Contact: CUSTOMER SERVICE
Toll Free Telephone Number: 1-877-829-5500

Dear PRESBYTERIAN CHURCH USA:

This is in response to your Oct. 21, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in JANUARY 1964.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(i).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

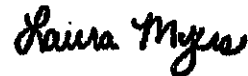
Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0752251399
Oct. 30, 2013 LTR 4168C 0
25-6393377 000000 00
Input Op: 0752251399 00032098

PRESBYTERIAN CHURCH USA
100 WITHERSPOON ST
LOUISVILLE KY 40202-6300

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Laura Myers
Operations Manager, AM Ops. 3



Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077552845
May 17, 2011 LTR 4167C 0
23-6393377 000000 00

00036199
BODC: TE

PRESBYTERIAN CHURCH USA
100 WITHERSPOON STREET
LOUISVILLE KY 40202

30030

Employer Identification Number: 23-6393377
Group Exemption Number: 1617
Person to Contact: Mrs. Jones
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Mar. 23, 2011, request for information about your tax-exempt status.

Our records indicate that you were issued a determination letter in Jan. 1964, and that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on the information supplied, we recognized the subordinates named on the list you submitted as exempt from Federal income tax under section 501(c)(3) of the Code.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106 and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Cindy Thomas

Cindy Thomas
Manager, ED Determinations

District
Director

P.O. Box 1500, GPO Bldg., N.Y. 11103

Date: OCT 22 1984

George W. McKee, Esq.
c/o Morgan, Lewis and Bockius
2000 One Logan Square
Philadelphia, PA 19103

Person to Contact:
Mrs. E. Cass
Contact Telephone Number:
(212) 330-7411

Re: 23-6393377

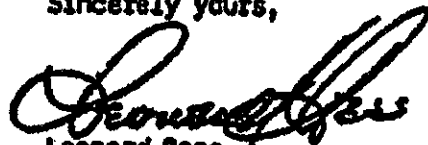
Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of Presbyterian Church (U.S.A.).

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code of 1954 or under a prior or subsequent Revenue Act, remains in effect until exempt status has been terminated, revoked or modified.

Our records indicate that exemption was granted as shown below.

Sincerely yours,



Leonard Cass
District Disclosure Officer

Name of Organization: Presbyterian Church (U.S.A.)

Date of Exemption Letter: January, 1964

Exemption granted pursuant to 1954 Code section 501(c)(3) or its predecessor Code Section.

Foundation Classification (if Applicable): Not a private foundation as you are an organization described in section 509(a)(1) of the Internal Revenue Code.

Date: JUN 07 1964

Presbyterian Church(U.S.A.)
475 Riverside Drive
Room 1201
New York, N.Y. 10115

RE: 23-6393377
GEN 1617

Date of Exemption: January, 1964
Internal Revenue Code Section: 501(c)(3)

Gentlemen:

Thank you for submitting the information shown below. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



District Director

<u>Item Changed</u>	<u>From</u>	<u>To</u>
Name & Address	The United States Presbyterian Church in the United States of America Chatsworth, Illinois	Presbyterian Church (U.S.A.) 475 Riverside Drive Room 1201 New York, N.Y. 10

35 Tillary St., Brooklyn, N.Y. 11201

Letter 976 (DO) (7-77)

Department of the Treasury

Internal Revenue Service
Washington, DC 20224

Date:

In reply refer to:

October 6, 1970 T.M.S:ED

United Presbyterian Church of
United States of America
510 Witherspoon Building
Philadelphia, Pennsylvania

OCT 12 1970



Gentlemen:

In accordance with the notifications you recently submitted, you and the organizations you operate, supervise, or control (and which are covered by your notifications) have been classified as organizations that are not private foundations as defined in section 509(a) of the Internal Revenue Code.

This classification is based on the assumption that operations will continue in the manner that constitutes the basis for such classification. Any changes in purposes, character, or method of operation must be reported to us so we may consider the effect on status.

Sincerely yours,

J. A. Delesert
Chief, Rulings Section
Exempt Organizations Branch

FORM 11-0758 11

JAN 31 1964

RECEIVED
T:R:ED
JGD

The United Presbyterian Church in the
United States of America
Office of the General Assembly
510 Witherspoon Building
Philadelphia 7, Pennsylvania

Gentlemen:

Your application for a group ruling, holding you and your subordinate units exempt from Federal income tax as organizations described in section 501(c)(3) of the Internal Revenue Code of 1954, has been considered.

Based on the information submitted, it is held that you and your synods, presbyteries and churches whose names appear on pages 542 through 620 inclusive, of the May 1953 edition of part III of the minutes of your general assembly are exempt from Federal income tax as organizations described in section 501(c)(3) of the Internal Revenue Code of 1954 as it is shown that you and your subordinate units are organized and operated exclusively for religious purposes.

You and your synods, presbyteries and churches are not required to file Federal income tax returns so long as a tax exempt status is maintained.

It will not be necessary for you and your synods, presbyteries and churches to file the annual return of information, Form 990-A, generally required of organizations exempt under section 501(c)(3) of the Code, as the specific exceptions contained in section 6033(a) of the Code are applicable.

Contributions made to you and your synods, presbyteries and churches are deductible by the donors as provided by section 170 of the Code. Bequests, legacies, devises, transfers, or gifts, to or for the use of you and your synods, presbyteries and churches are deductible for Federal estate and gift tax purposes as provided by sections 2055, 2106 and 2522 of the Code.

**THE UNITED PRESBYTERIAN
Church in the United
States of America**

You and your synods, presbyteries and churches are not liable for the taxes imposed under the Federal Insurance Contributions Act (social security taxes) unless waiver of exemption certificates are, or have been, filed as provided in that Act. Inquiries about the waiver of exemption certificate should be addressed to your District Director. You and your synods, presbyteries and churches are not liable for the tax imposed under the Federal Unemployment Tax Act.

For next year and each succeeding year thereafter, please send us the following information annually not later than forty-five days after the close of your annual accounting period:

1. Lists, arranged in alphabetical or numerical order, showing the names and mailing addresses of (a) your new subordinate units and (b) those which have ceased to exist or have changed their names or mailing addresses. One copy of the list should be furnished for use of this office and one additional copy for the use of each District Director in whose district one or more of your subordinate units are located. Directories may be furnished in lieu of the lists referred to above if a directory is published.

2. A statement, signed by one of your principal officers, stating whether or not the information upon which your original group ruling is based is applicable in all respects to your new subordinate units.

3. A statement, if at the close of the year, there were no changes in your roster.

4. A statement of any changes in the character, purposes or method of operation of your organization or those of any of your subordinate units.

**Church in the United
States of America**

5. Duplicate copies of any amendments to the
charters or bylaws of your organization or
those of any of your subordinate units.

This ruling is not applicable to any of your subordinate units
organized and operated in a foreign country.

The District Director in Philadelphia is being advised of
this action.

Very truly yours,


Agent Chief, Exempt Organizations Branch

Documents 13-25 Letters of Support:

13. Alma College (2 pages)
14. Johnson C. Smith Theological Seminary (1 page)
15. Presbytery of Cincinnati (1 page)
16. The Presbytery of Detroit (1 page)
17. Eastminster Presbytery (1 page)
18. Presbytery of Lake Huron (1 page)
19. Presbytery of Lake Michigan (1 page)
20. The Presbytery of Mackinac (1 page)
21. Maumee Valley Presbytery (1 page)
22. Presbytery of the Miami Valley (1 page)
23. Muskingum Valley Presbytery (1 page)
24. The Presbytery of Scioto Valley (1 page)
25. The Presbytery of the Western Reserve (1 page)



ALMA COLLEGE

May 12, 2023

Rev. Tito Madrazo
Program Director
The Lilly Endowment

Dear Reverend Madrazo:

Alma College is delighted to partner with the Synod of the Covenant for their Cultivating the Gift of Preaching initiative. Located in the center of Michigan's Lower Peninsula, Alma College is uniquely situated to provide support to the Synod to guarantee the success of this project. As Michigan's only Presbyterian affiliated college or university, Alma has become a hub for congregational support, pastoral training, and community engagement that extends to partnership congregations throughout our region. We welcome the opportunity to expand this institutional vocation through this unique partnership that is intended to develop lay preachers in the Synod.

Alma is situated at the junction of Michigan's four presbyteries – Lake Huron, Lake Michigan, Detroit and Mackinac. This location makes us a natural connection point for these presbyteries, and we regularly host retreats, middle judicatory meetings, continuing education events, and speakers intended to support the work of our neighboring congregations. We have the resources committed to support these gatherings, including housing options, catering, a newly renovated library and learning commons, and a diverse faculty and staff ready to meet the needs of potential participants in this initiative. In addition, our spiritual life staff includes four chaplains from a variety of Christian traditions. Our senior chaplain, Rev. Dr. Andrew Pomerville, teaches Homiletics each winter semester to students particularly called to ministry as a vocation. These trained students offer pulpit supply to as many as six congregations each Sunday. These pre-ministry students cohort together throughout the year under the remarkable pastor leadership or our other chaplains, Rev. Alissa Davis, Rev. Katrina Pekich-Bundy and Fr. Paul Weley. Our chaplains and their student staff are eager to provide the logistical support, as well as worship leadership, for any gatherings on campus. Further, our staff commits to support the efforts of this cohort both on and off campus.

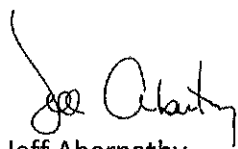
Our College maintains close ties to each of the presbyteries in the Synod of the Covenant. The chaplains and/or students preach each week, provide educational

opportunities, and guide the congregations to see the value of having a Presbyterian affiliated institution. We are a natural hub for recruitment to this program because of our close connections to congregations with and without clergy support . We would be well placed to recommend and nominate congregations and individuals to participate in this initiative. Further, our students would be employed as interns focused on data management, assessment, and implementation of the logistical nature of the gatherings. We have a history of this type of successful partnership in recent history, especially through our Center for College and Community Engagement (3CE) that hosts the Alma Enrichment Partner Program, AmeriCorps VISTA programs, and our annual Presidential Speaker Series.

While the practical, organizational partnership with this initiative is important, the paramount reason for supporting this connection is related to our founding vision and principles as an institution. Founded in 1887, Alma College was placed in mid-Michigan by members of the then Synod of Michigan who identified the need to train future leaders for the church in this place and at that time. Alma does not exist for itself. We continue to be a college that meets the needs of the people around them. The College must continue to lead by providing the right leadership for the church in this time and in this place today. This initiative does just that but placing potential preachers in places they are needed most.

We at Alma grateful to the Lilly Foundation for its willingness to support new ministries like this initiative and we hope this model might inspire other church/college partnerships that will likewise provide for the needs of the congregations around them to share the gospel, practice grace, and be the hands and feet of Christ in the world.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Abernathy". The signature is fluid and cursive, with a large initial "J" and "A".

Jeff Abernathy
President
Alma College



Johnson C. Smith Theological Seminary

1328 Peachtree Street NE
Atlanta, GA 30309

May 8, 2023

Rev. Tito Madrazo, Program Director
The Lilly Endowment
Compelling Preaching Initiative

Dear Grant Committee;

I am writing to express wholehearted support for the Synod of the Covenant and the Cultivating the Gift of Preaching program as part of the Lilly Endowment's Compelling Preaching Initiative. The Cultivating the Gift of Preaching program seeks to identify, train and support emergent preachers within the Synod of the Covenant, Presbyterian Church (USA), to strengthen the Church's witness to the Good News of the Gospel in Jesus Christ. The program aims to provide homiletic and theological support that will lead to more compelling proclamation in smaller, less affluent congregations and their communities.

We at Johnson C. Smith Theological Seminary (JCSTS) have been in conversation with the Synod of the Covenant about the need to provide support to those who are called to preach, and who are without a seminary degree. We are excited about this potential partnership.

The mission of JCSTS as an historically black theological seminary is to advance communities of faith, justice, and compassion through innovation in theological education. Relative to our mission, we feel that our educational track record lends itself well to the support of this project as it seeks to nourish excellent preaching and sustain those who provide that preaching, both of which are necessary for healthy community formation. Our competency-based educational model and robust digital online platform have proven effective for cohort-based learning and online community formation.

We are aware that, at a time when many congregations are diminishing in membership size, persons are continuing to heed the call to proclaim the Good News in these congregations. The intent of the Cultivating the Gift of Preaching program aligns beautifully with the goals of the Compelling Preaching Initiative. Funding would allow the Synod of the Covenant to implement this program to energize and educate for more compelling preaching of the Gospel in underserved areas of its region. I am confident the Synod of the Covenant is a worthy recipient of the grant.

Thank you for your consideration.

Sincerely,

Paul

Rev. Paul Roberts, Sr.
President



26 April 2023

Rev. Tito Madrazo, Program Director
The Lilly Endowment
Compelling Preaching Initiative

The Presbytery of Cincinnati, proud recipient of a Thriving Congregations Lilly Endowment grant in 2020, is very pleased to partner with the Synod of the Covenant in their application to the Lilly Endowment Compelling Preaching Initiative, called the Cultivating the Gift of Preaching initiative. As we created the Center for Learning in the Presbytery office, under my direction, to manage the Lilly Endowment for the Presbytery's work, we now have an established office able to help Synod staff and leaders manage their program.

In addition, I am a certified trainer and facilitator, as well as someone who has designed curriculum and program across my career. I am on the Board of Trustees of one of our Presbyterian Seminaries, thus deeply embedded in understanding the emerging needs of pastors and preachers through their Academic Futures programs as well as through the Association of Mid-Council Leaders in the Presbyterian Church (USA).

Finally, the Presbytery of Cincinnati is one of the 11 Presbyteries that comprises the regional judicatory, the Synod of the Covenant. The proposal from the Synod would directly benefit our congregations as well – fully 30 of the 64 current congregations in the Presbytery of Cincinnati would fall into the category of emerging preachers that is the focus of the Synod proposal.

Our congregations continue to experience transitions in membership and pastoral leadership, as well as developing skills in new ways of delivering worship and care. These transitions provide opportunities to reflect on what is essential to our heritage and on what we must do to reach a hurting world and build the Kingdom. We have seen real value in bringing training to clergy and layleaders, creating hope for their future and increased confidence in their ministry. For these and other reasons, we feel that our own recent strategies of renewal are already very much in line with both the Synod's proposed program and Lilly's vision.

Thanks very much for your, and Lilly's, commitment to the Church and to our individual churches. We wish you every one of God's boundless gifts.

Yours most sincerely,

Lisa Allgood

Lisa D. Allgood
Executive Presbyter
lisa@cpresby.org
513-885-5434

THE PRESBYTERY OF DETROIT

17575 Hubbell • Detroit, Michigan 48235
Office: (313) 345-6550 • Fax: (313) 345-7250



May 11, 2023

Rev. Tito Madrazo
Program Director The Lilly Endowment- Compelling Preaching Initiative

Greetings, Rev. Madrazo,

It is with great joy that I write this letter supporting the Synod of the Covenant's "Cultivating the Gift of Preaching Initiative."

As written in Matthew:
"The harvest is plentiful, but the laborers are few."

We live in a different time, and those called to preach the Good News would benefit from learning opportunities in various settings. Under the leadership of Rev. Dr. Charles Hardwick, with the support of the Lilley Endowment, many within Southeast Michigan would benefit from this initiative.

I appreciate your consideration.

Charon A. Barconey
Associate Executive Presbyter
Presbytery of Detroit, Presbyterian Church (USA)
17575 Hubbell St. | Detroit, MI. 48235

Office: 313.345-6550 ext.211
Mobile: 313.770.5822

"Beloved, I pray that all may go well with you and that you may be in good health, just as it is well with your soul." 3 John 1:2 NRSV

EASTMINSTER PRESBYTERY

P.O. Box 14439
Poland, OH 44514
Telephone: (330) 505-2167
eastminsterpresbytery.org



REV. BARRY W. CHANCE
General Presbyter & Stated Clerk
barry@eastminsterpresbytery.org

PRESBYTERIAN CHURCH (USA)
pcusa.org

SYNOD OF THE COVENANT
synodofthecovenant.org

April 28, 2023

Rev. Tito Madrazo
The Lilly Endowment
Program Director

Dear Rev. Madrazo—

As the General Presbyter & Stated Clerk of Eastminster Presbytery I am writing to enthusiastically support the Synod of the Covenant's proposal for the Cultivating the Gift of Preaching Initiative and endorse their request for funding from the Lilly Endowment's Compelling Preacher Initiative. Eastminster Presbytery is made up of 39 congregations and one New Worshipping Community in Northeast Ohio. Many of those congregations are struggling to develop new leaders and new models of leadership that will help them continue to minister to their communities amid a shifting religious landscape, the continuing fallout from the COVID-19 pandemic, and increasing financial pressures upon congregations. Several years ago, this presbytery trained and equipped a small group of ruling elders (lay leaders of congregations) to preach in an effort to address this challenge. However, some of those trained have had to step away for personal reasons and others express a desire for more in-depth training. At the same time, congregations are calling upon the services of these preachers more than ever as we face a wave of retirements, transfers, and resignations here in the Great Resignation. The Synod of the Covenant's partnership with Alma College and Johnston C. Smith Seminary would help us identify and nurture the gifts of emergent preachers to faithfully respond to our Gospel mission to serve the five counties in Ohio where we have been called into mission and be in partnership with our siblings in Christ across the synod. I pray that the Lilly Endowment will fund this initiative which will help us do our work of gathering our congregations into a covenant partnership marked by faith, hope, love, trust, and witness to Jesus Christ.

May the Peace of Christ be with you,

Rev. Barry W. Chance



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Greetings, Rev. Madrazo, Program Director, the Lilly Endowment

I am writing to voice my support for the *Cultivating the Gift of Preaching* initiative for the Synod of the Covenant. As the church continues to change around us, the need to cultivate preaching gifts becomes more and more important. Beyond the traditional clergy role for preaching, the variety and type of people needed for preaching continues to expand. This grant would enable us to partner through the Synod in growing many people's gifts for preaching.

The sharing of God's Word has always been and will continue to be at the heart of what it means to be a worshipping community. This grant can help us to prepare others for this central role in the life of the church. I know that we here in the Presbytery of Lake Huron would enthusiastically support the use of the grant.

Thank you for your time and consideration.

Yours in Christ,

Rev. Ted McCulloch, Stated Clerk/Head of Staff

Presbytery of Lake Huron



Presbytery of Lake Michigan

Presbyterian Church [U.S.A.]

May 12, 2023

Rev. Tito Madrazo, Program Director
The Lilly Endowment Compelling Preaching Initiative

Re: Cultivating the Gift of Preaching Initiative

Dear Rev. Madrazo:

As executive presbyter for one of the eleven-member presbyteries of the Synod of the Covenant, I want to express my appreciation for the opportunity to submit a grant proposal for the Compelling Preaching Initiative. The presbytery leaders within the Synod work in close collaboration to resource the over 700 congregations Christ has entrusted to our care. The Synod of the Covenant is unique in that all the presbytery leaders care deeply for one another and the well-being of each presbytery we serve. Our good relationships extend beyond simple collegiality to genuine Christian love and affection. As such, we take seriously our responsibility to share the gifts and talents God has placed within each of us to serve Christ's Church. We also take seriously our responsibility to support other leaders in developing the gifts and talents God has placed within them.

The Church finds itself in a critical place in history as providing sound, thoughtful worship leadership in some of our smallest but ever-faithful congregations becomes increasingly difficult. The members of these small congregations are committed to Christ and living out the Gospel of Christ in their own lives and within their communities. One of the most challenging tasks is providing preachers with any training in theology or homiletics. The Compelling Preaching Initiative would enable us to identify and equip Ruling elders and lay leaders without formal seminary education to serve and nurture our smaller congregation.

My colleagues and I are very excited and supportive of the possibility of offering such an initiative within the Synod of the Covenant. Our deep desire is to sustain vibrant and vital congregations within all eleven presbyteries. The Compelling Preaching Initiative would be a key element of our overall collaborative effort to continue proclaiming the Gospel of Christ and serving the communities within which God has called us.

Thank you again for this opportunity and your consideration.

Peace in Christ,

Rev. Fran Lane-Lawrence
Executive Presbyter – Presbytery of Lake Michigan

The Presbytery of Mackinac

P. O. Box 674

2206 Mitchell Park, Suite 15

Petoskey, Michigan 49770

(231) 347-5556

Rev. Tito Madrazo
Program Director
The Lilly Endowment

Dear Rev. Madrazo,

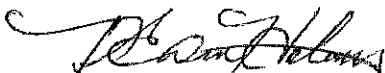
Mackinac Presbytery, a large geographic presbytery with a small, dispersed membership, covers 1/3 of the Lower Peninsula and the entire Upper Peninsula of the state of Michigan. This challenges our ability to serve our member congregations. Traditional and customary ministry is not as effective in Mackinac as it may be elsewhere. We are therefore at a place where we are actively seeking out new and innovative ways to do collective ministry and congregational support.

The Synod of the Covenant's application to the Lilly Endowment's Compelling Preaching Initiative is exactly what Mackinac Presbytery needs to strengthen and enhance our ministry to the rural and remote areas of our presbytery. It will greatly enhance our Commissioned Ruling Elders Education Program that seeks to provide trained ruling elders to serve congregations that are too small to afford a seminary trained Minister of Word and Sacrament. Dr. Charles Hardwick, our Synod Executive, knows this far too well. The program he has submitted to Lilly Endowment is, in my opinion, exactly what this presbytery needs to bring relevant and biblically based messages to the people of Mackinac Presbytery and, of course, to all of the presbyteries within the bounds of the synod.

On behalf of the Presbytery of Mackinac, I strongly support this initiative the Synod of the Covenant is proposing in its application. I sincerely hope the Lilly Endowment will look favorably on this application from The Synod of the Covenant, for I see *Cultivating the Gift of Preaching* benefiting both those who participate in the program/training and those who gather in small church structures across Mackinac Presbytery each week to hear thoughtful and well-crafted sermons.

Please accept my strong endorsement of this application to your organization. I would be most willing to speak to my perceptions of this program's effects on this Presbytery, if you are so inclined.

Peace and grace be with you,



Rev. Dr. T. Ewen Holmes
Stated Clerk
Presbytery of Mackina



700 EAST MELROSE AVENUE • FINDLAY, OHIO 45840
REV. DR. MATT MEINKE, GENERAL PRESBYTER

May 11, 2023

Compelling Preaching Initiative
Lilly Endowment
Rev. Tito Madrazo, Program Director

RE: LETTER OF SUPPORT for Synod of the Covenant Proposal 2023

Dear Lilly Endowment:

I strongly support the creative initiative of the Synod of the Covenant's Cultivating the Gift of Preaching Initiative/Proposal.

As one of the 11 PCUSA Presbyteries within the jurisdiction of the Synod of the Covenant, we are desperately needing to encourage and equip lay leaders with the confidence and skills they need to lead churches effectively.

Here in rural Ohio, attracting and paying seminary trained leaders has many barriers. This is particularly true among racial/ethnic and minority communities. We need to identify, train, and support emerging preachers in new ways and that can happen powerfully through the Synod's Initiative.

Sincerely,

A handwritten signature in blue ink that reads "Matt Meinke".

Dr. Matt Meinke
General Presbyter





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Minister of the Word and Sacrament Terry Kukuk, Executive Presbyter

Minister of the Word and Sacrament Lynette Bova, Stated Clerk

May 11, 2023

Partners in Christ,

This letter is to support and commend the Synod of the Covenant's application for the Lilly Endowment's Compelling Preaching Initiative. The Synod is an important partner with the Presbytery of the Miami Valley, and we look forward to participating in this initiative to identify, train, and support emergent preachers of the Gospel of Jesus Christ. Having a connection with different higher education facilities, other presbyteries and being able to hear different voices and ideas will be some of the strengths of this proposal.

Most of our churches are small, with under 100 members (56%) and 72% are under 200 in membership. Many cannot afford to employ a full-time seminary trained pastor and it is difficult to find part-time pastoral leadership. Having a way to train Ruling Elders and lay preachers to share the Gospel and support them as they provide worship leadership is imperative in our area. Building a culture of connectedness, sharing ideas and building up the confidence in those who God is calling to participate will ultimately build up the reign of God. This will also serve our larger churches when they are seeking someone to fill the pulpit so they can have a sabbath break.

The Cultivating the Gift of Preaching initiative states: "We believe compelling thoughtful preaching is critical to sustain vibrant congregations and ministry" and I also believe that. Engaging in a process as outlined by the Synod will allow for tremendous possibilities and model new ways of being the church and supporting one another. I know how much time, effort and thought have gone into this proposal and I look forward to its success. Please help us develop a foundation on which to build up the church of Jesus Christ.

Faithfully yours,

Rev. Lynette H Bova

Rev. Lynette H Bova, Stated Clerk
Presbytery of Miami Valley

MUSKINGUM VALLEY
presbytery

PO Box 1479
Ashland, OH 44805

May 11, 2023

Rev. Tito Madrazo
Lily Endowment Inc.
2801 N. Meridian St.
Indianapolis, IN 46208

Dear Rev. Tito Madrazo,

Our presbytery is thrilled about the "Cultivating the Gift of Preaching" initiative. We have nearly 70 congregations which are spread across 16 counties. Most of these congregation are in small towns, and do not have ordained pastors who serve with them.

As we strive to strengthen pastoral skills among our elders, emphasis on preaching is essential. While we already have local workshops, this grant would enable us to train our elders at a deeper level as they learn the craft of preaching.

This grant will make a significant difference in our churches, and I am thankful for the leadership of the Synod of the Covenant in this matter.

Thank you for your time.

In Christ,

Rev Matthew Skolnik

Rev. Matthew James Skolnik
General Presbyter
Muskingum Valley Presbytery
330-230-7752
matt@mvpresby.org



The Presbytery of Scioto Valley

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May 2, 2023

The Reverend Tito Madrazo
Program Director
The Lilly Endowment

Dear Reverend Madrazo,

I write this letter in support of the Compelling Preaching Initiative proposal, submitted by the Synod of the Covenant, Presbyterian Church (USA). We know that good preaching not only helps to build the faith of those in our congregations but reaches out into our communities by the sharing of those touched by the words they have heard. In today's environment, that preaching is led by laity as well as those seminary trained. However, many are unable to avail themselves of the seminary training because of time commitments and cost.

The Synod of the Covenant, building on its repertoire of training for both laity and clergy, anticipate training 150 emerging preachers in this Synod! Imagine how our communities can be influenced and transformed by the introduction of the grace of Jesus Christ as these emerging preachers teach and lead.

I look forward to being able to plug in our emerging preachers to this program, which will fill a huge need in our own recruitment and training of local church leaders. Thank you for your consideration of this proposal.

In Christ's service,

The Rev. Kathy Nice
Transitional General Presbyter

"Inspire, Strengthen, And Challenge Congregations for Christ's Mission"

February 18, 2020



THE PRESBYTERY OF THE WESTERN RESERVE

PO Box 24189 · Cleveland, Ohio 44124 · 216.241.3966



May 9, 2023

The Reverend Tito Madrazo
Program Director, The Lilly Endowment

Reverend Madrazo,

I write in support of the application *Cultivating the Gift of Preaching* by Chip Hardwick and the Synod of the Covenant for the Compelling Preaching Initiative.

As a Presbytery leader in the Synod, I am aware of the need to train emerging preachers in our midst. This training will support the ministry of the Synod as we in the Presbyteries seek to support and encourage the ministry of our individual churches.

I encourage you to give this application serious consideration.

Sincerely,
The Reverend Sharon K. Core
General Presbyter
Presbytery of the Western Reserve