



## CENTRAL FABRIC FUND

### GUIDELINES FOR APPLICANTS

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#### Introduction

In 1979 the General Assembly set up a Central Fabric Fund to be administered by the General Trustees to help Congregations meet the cost of a wide variety of work at their buildings:

- **repair and maintenance**
- **alterations and modernisation**
- **replacement by way of purchase**

These guidelines will assist Congregations and Presbyteries in assessing whether it is appropriate to submit applications.

The Regulations of the Central Fabric Fund as approved and as amended in 1983, 1992, 1994, 1995, 1998 and 2003 are printed in the Appendix.

#### Loans

As it is the capital of the Fund which is distributed, it must be repaid and the bulk of financial assistance is therefore in the form of **standard loans**. These are usually repayable on a capital-and-interest basis every half year at the end of March and September. The standard rate of interest is presently 5% per annum although a lower rate may be offered in special cases. The usual repayment period is between three and eight years. Loans must be drawn down within two years failing which they will be cancelled.

**Short term loans** for up to a year can be given to assist with cash flow during a building project.

**Bridging loans** for Manse purchases are also given but only where there is a bonding contract for the sale of the existing Manse.

#### Grants

Grants may also be made in appropriate circumstances. Unfortunately, the pressure on the Fund is such that the Trustees with the approval of the Assembly have set the following priorities to assess the merits of applications:

Priority will be given to applications from Congregations

- (1) in Urban Priority Areas;
- (2) in other areas of identified need;
- (3) embarking on schemes approved by the *Go For It* Fund which have a buildings aspect.

#### Other relevant factors

#### Presbytery views

Presbyteries must consider all relevant matters including

- the Parish Reappraisal Plan;
- the number of buildings for which the Congregation is responsible;
- whether the building is likely to be needed in the medium to long term;
- need for the work in the interests of safety or to preserve the value of the building as a marketable asset;
- the impact of the expenditure on the Congregation's other commitments such as contributions to ministry costs, Mission & Renewal contributions, etc.
- whether a congregation has significant shortfalls in central contributions.
- the Trustees also expect Presbyteries to draw attention to any other special factors.

### **Fabric Reserves and Income**

Grants will be considered where a Congregation

- has applied the whole or a substantial portion of its fabric reserves whether locally-held, in the Investors Trust or in the Consolidated Fabric Fund
- has made significant efforts to raise funds locally or from other external sources.
- is facing the cost of professional fees in the carrying out of Feasibility Studies.

Grants will not normally be offered where

- there are monies in the Consolidated Fabric Fund, in the Investors Trust or in any local source from which the cost of the work could be met.
- a congregation could finance the repayment of a loan.
- title to the building concerned is held by local trustees for the congregation

### **Storm, Fire and other Insurable Damage**

Grants will not normally be given towards reinstatement costs where these arise as a result of under-insurance.

### **Interior Decoration and Organs**

Grants for interior redecoration schemes will not be given unless these are rendered necessary by other works. Grants will not be given for organ repair or restoration

### **Applications**

All Applications, on the General Form which is available in hard copy or electronically from the Trustees' Secretary's Department or from your Presbytery Clerk, are completed by the Financial Board of the Congregation and then submitted to the Presbytery. If Presbytery approves the making of the Application, the Clerk will forward the Form and all relevant supporting papers to the Secretary's Department. Applications are usually dealt with by the Trustees' Fabric Committee which meets every month except August.

### **Loan Undertakings**

Where a loan has been voted by the Trustees, it remains "on offer" for up to two years. Once a Board decides to draw down the loan, the Secretary's Department will prepare a written Undertaking setting out the repayment terms. The terms of the Undertaking must be approved by the Financial Board and signed by the Clerk or the Treasurer. A bank transfer for the amount of the loan will be paid to the relevant congregational bank account once the signed Undertaking and the relative Extract Minute have been received by the Department.

### **Grants**

Up to two-thirds of a grant can be released once work is underway with the balance payable upon completion.

## **APPENDIX**

### **REGULATIONS OF THE CENTRAL FABRIC FUND**

#### **I General**

The Central Fabric Fund shall be used by the Church of Scotland General Trustees in making grants and loans to Financial Boards of Congregations for the purchasing, building, repairing and improving of Churches, Church Halls and Manses held for the Church of Scotland and in certain other special cases as determined by the General Trustees.

#### **II Applications**

1. There shall be submitted to the Presbytery of the bounds a schedule containing particulars of the proposals, together with plans (if appropriate), estimates of probable costs and a copy of the most recent abstract of congregational accounts. When dealing with the application, Presbytery shall consider all relevant factors including the Presbytery Parish Reappraisal Plan, the number of buildings for which the congregation is responsible, whether the particular building is likely to be required by the congregation in the medium to long term, the need for the work in the interests of safety or to preserve the value of the building as a marketable asset and the impact of the proposed expenditure on the congregation's other commitments such as contributions towards ministry costs and, where appropriate, Mission & Renewal. If, after considering these matters, the Presbytery approves of the application it shall transmit the schedule with its deliverance thereon and the supporting papers to the General Trustees. No application which has not been approved by the Presbytery shall be considered by the General Trustees.
2. In all cases where financial assistance by way of grant or loan is being requested the application must be considered by the General Trustees prior to the work being begun.
3. In urgent cases, where immediate repairs are necessary, the Convener or Vice-Convener of the Fabric Committee of the General Trustees, whom failing a member of that Committee, and the Secretary of the Trustees may give leave for the work to proceed without prejudice to subsequent consideration of the application by the Trustees.
4. Nothing in these or other regulations on the subject shall infer any pecuniary liability on the Church or on the General Trustees to any person undertaking work in connection with any Church, Manse or Hall.
5. The General Trustees reserve the right to decline any application in connection with which these regulations have not been observed.

#### **III Grants**

1. Grants voted are normally subject to the condition that the title to the ecclesiastical property concerned is vested in the General Trustees or alternatively is vested in a body of local trustees under the express stipulation that the property is subject to the regulation and direction of the General

Assembly as regards the management and disposal thereof but the General Trustees are empowered to make grants in other cases in which they deem the circumstances to be appropriate.

2. In considering an application the General Trustees shall give attention to the following points: the Presbytery's opinion of the proposals, the need and urgency of the work, the financial resources and obligations of the Congregation, the efforts made locally to raise additional money for the work and the Congregation's past givings to the Mission and Aid Fund. The General Trustees are empowered to call for the production of the Congregation's Property Register.
3. Grants will be payable on completion of the work, and on presentation of a certified statement of the expenditure incurred and the income available to meet it. The General Trustees shall be at liberty to pay grants in instalments, should circumstances require, up to two-thirds of the amount thereof while the work is proceeding, the last instalment being payable on completion of the scheme if the conditions laid down by the General Trustees have been fulfilled.
4. Grants are voted on condition that, if the property in respect of which they are given is subsequently sold, the General Trustees shall have the right of reclaiming the amount of the grant from the proceeds of the sale.
5. The offer of a grant will lapse unless claimed within two years of the date on which it is voted.

#### **IV Loans**

1. Loans may be made of such amount and on such terms as to interest (including non-liability to interest), repayment etc. as the General Trustees, in the particular case, will determine. If interest is charged, the rate in force at the date on which the loan is paid over shall be the maximum rate applicable to that loan until it is repaid, with the exception that interest at 1.5% above the Bank Base Rate from time to time in force may be charged on all arrears of instalments or other payments due.
2. Loans will be repayable with interest, if required, in sums and at dates fixed by the General Trustees when the loans are granted. Congregations are encouraged to make complete repayment of capital and interest in shorter time than that determined.
3. The offer of a loan will lapse unless claimed within eighteen months of the date on which it is voted.
4. Loans shall be paid only on an Undertaking to repay signed on behalf of the Financial Board of the Congregation and supported by an extract minute of the Financial Board agreeing the terms proposed by the General Trustees.

- V** Notwithstanding what is said in Section II 1, the General Trustees are authorised to use monies from the Fund to meet any liabilities which may fall on them in respect of buildings in circumstances where, in the judgement of the Trustees, they cannot appropriately recover the same from a Congregation.