

**MINUTES OF THE SYNOD OF LINCOLN TRAILS**  
*July 24, 2010*  
*Philo Presbyterian Church, Philo, Illinois*

***The Mission of the Synod of Lincoln Trails (PCUSA) is to develop, nurture and support leaders in partnership with our presbyteries and congregations, and to coordinate Presbyterian mission strategy within the Synod.***

Registration and fellowship began at 9:00 a.m.

**CALL TO ORDER**

The Synod of Lincoln Trails held its third quarter stated meeting for 2010 on July 24th at Philo Presbyterian Church in Philo, Illinois. Moderator Rev. Eddie Knox called the meeting to order with prayer at 10:00 am. Moderator Knox welcomed all those in attendance to the third quarter meeting of the Synod. Stated Clerk, Rev. S. Kim Leech, declared that a quorum of commissioners was present. A quorum consists of eight commissioners, at least four of whom are elders and at least four of whom are ministers, representing at least three of the presbyteries in the Synod.

The roll of commissioners\* was established by registration, as follows:

**Present:** David W. Jones MBLK; Christina Berry MBLK; Eddie Knox MCHI; Maura C. McGrath Nagle MGRT; Gene Miller EGRT; Jan Wilkerson EOHV; Mitch Coggin MOHV; Mike Beaver EOHV; Laurie Williams MSEI; Millie Hankla ESEI; Laura Aull Johnston MSEI; John Swick ESEI; Katherine Rieder MWWV; MaryMarg Karty EWWV.

**Absent:** Johanna Sommers EBLK; Kew Sun Chai EMWH.

**Excused:** Marian DeWall EBLK; Nicholas Shargo ECHI; Jennifer Burns Lewis MCHI; Jack Wilson ECHI; Richard D. Tindall MGRT; Nathan Rush EGRT; Veltri Taylor MOHV; Marylynn Boatright EWBV; Laura Reason MWBV; Calvin Hawkins EWBV; Bruce Haapalainen MWBV; John Paulson E/CLP WWV; Cheryl Montgomery MWWV.

**Ex-officio:** Cindy Shepherd MSEI, Moderator Committee on Representation; Julio Pena ECHI, Committee on Representation member; Harriet Wilkins EWWV, Committee on Representation member; Jan Albert EWWV, Committee on Representation member.

**Staff:** David Crittenden, Marta Kramer, Bill Lawser, Kim Leech, Judy Lucas, Carol McDonald, Kristi Miller.

\*

E: elder; M: minister; AL: at large; CLP: commissioned lay pastor

BLK: Blackhawk Presbytery

OHV: Ohio Valley Presbytery

CHI: Chicago Presbytery

SEI: Southeastern Illinois Presbytery

GRT: Great Rivers Presbytery

WBV: Wabash Valley Presbytery

MWH: Midwest Hanmi Presbytery

WWV: Whitewater Valley Presbytery

**SEATING OF CORRESPONDING MEMBERS AND GUESTS**

Moderator Knox requested a motion to seat corresponding members: elder Linda Knox, Pullman Presbyterian Church, Presbytery of Chicago; elder John Braden, Presbytery of Southeastern Illinois and member of the Administrative Commission for Midwest Hanmi Presbytery; Rev. Sue Krummel, Executive Presbyter/Stated Clerk, Presbytery of Great Rivers and Standing Committee on Personnel member; Rev. Alan Thames, Executive Presbyter, Presbytery of Whitewater Valley; Rev. Jeff Hutcheson, Executive Presbyter, Presbytery of Southeastern Illinois; Rev. Susan McGhee, Presbyter for Common Life, Presbytery of Ohio Valley; elder Greg Thomas, Stated Clerk of the Presbytery of Whitewater Valley; Claudia Fuentes-Pena, Presbytery of Chicago and spouse of Committee on Representation member elder

Julio Pena; elder Pauline Rowles, Presbytery of Southeastern Illinois and Standing Committee on Personnel at large member; Rev. Beth Wagner, Presbytery of Great Rivers and Synod Administrative Commission for Midwest Hanmi moderator; Doug Kelly Board of Pensions Representative, Presbytery of Southern Kansas. **M/S**

**ACTION:** The Synod approved the seating of corresponding members and welcomed all guests.

### **ADOPTION OF DOCKET**

#### **PROPOSED DOCKET**

9:00 AM Registration  
Welcome – Fellowship - Refreshments  
10:00 Call to Order with Prayer  
Establishing Quorum  
Seating of Corresponding Members & Introductions  
Approval of the Docket with the Sacrament of Communion  
Approve Minutes of April 23, 2010 Meeting  
10:15 Worship with the Celebration of the Lord’s Supper  
11:15 The State of Middle Governing Bodies in the Synod of Lincoln Trails  
12:15 PM Lunch  
1:00 Administrative Commission Report: Midwest Hanmi  
1:15 Standing Committees Meet  
2:30 Stated Clerk’s Report  
Nominating Committee Report  
Board of Directors Report  
Standing Committee on Mission Coordination and Administration  
Standing Committee on Leadership Development  
Standing Committee on Personnel  
3:30 What are we taking home?  
Closing Prayers  
Adjournment

Moderator Knox drew attention to the proposed docket and, by consent, it was amended by moving the Standing Committee on Personnel report to 1:00 pm after lunch and before the Administration Commission report.

**ACTION:** Moderator Knox asked for a motion to adopt the docket as amended, **M/S**, the Synod approved the docket as amended.

### **ECCLESIASTICAL BUSINESS**

#### **APPROVAL OF APRIL 23, 2010 MINUTES**

Moderator Knox called for approval of the April 23, 2010 Minutes. **M/S**

**ACTION:** The Synod approved the Minutes as distributed.

### **SERVICE OF WORSHIP**

The service of worship was held in the sanctuary of the church. In keeping with the July 2010 Synod meeting theme, *Rejoicing Our Togetherness With Our Presbyteries*, liturgist: the Rev. Jeff Hutcheson, Transitional Executive Presbyter, the Presbytery of Southeastern Illinois; preacher: the Rev. Alan Thames, Executive Presbyter, the Whitewater Valley Presbytery; celebrant: the Rev. Susan McGhee, Presbyter for Common Life, the Presbytery of Ohio Valley; and musician: the Rev. Katherine Rieder, Vice-Moderator,

the Synod of Lincoln Trails, led the Synod in worship including the sermon by preached by Rev. Thames, "Broken Open, Broken Apart – Our New Reality" with readings from II Corinthians 12:1-10 and Luke 24:13-35. The sacrament of the Lord's Supper was observed with Rev. McGhee as the celebrant.

The commissioners returned to the fellowship hall for the continuation of the meeting.

Moderator Knox introduced Rev. Doug Kelly, the Board of Pensions area representative, by giving Doug a few minutes to inform the body of any news and updates on the news and many programs of the Board of Pensions.

Moderator Knox informed the Synod that elder Julio Pena, Synod Committee on Representation member, co-moderated the Multi-Cultural Conference held in Chicago and thanked him for his service in that capacity.

### **THE STATE OF MIDDLE GOVERNING BODIES Information of the General Assembly Meeting in Minneapolis**

Rev. Sue Krummel, Executive Presbyter from Great Rivers Presbytery, reported on her experiences at General Assembly. Rev. Krummel answered questions from the body about various actions of the assembly. Rev. Krummel recommended the PC(USA) resource *Assembly in Brief* (<http://oga.pcusa.org/ga219/pdf/aib-2010-forprint.pdf>) and other resources available on the PC(USA) Web site.

The actions of the 219<sup>th</sup> General Assembly (2010) that can change the Constitution of the PC(U.S.A.) will be presented to the denomination's 173 presbyteries for ratification. Presbyteries will vote on the proposed amendments to the constitution, adoption of the Belhar Confession, adoption of a new constitution and on nine overtures, including one on changes in ordination standards. Sue also discussed the approval of the formation of a middle governing body commission and the possible implications of that action. Sue believes that the Presbytery of Great Rivers will add another presbytery meeting for the next calendar year to give these important issues the time and attention they deserve.

Moderator Knox thanked Sue for her information and insights regarding the recent General Assembly meeting in Minneapolis.

With time docket remaining before lunch, Moderator Knox continued with the agenda of business with the Standing Committee on Personnel report.

### **REPORT OF THE STANDING COMMITTEE ON PERSONNEL**

Rev. Sue Krummel, member of the Personnel Standing Committee reported for the committee.

The Personnel Committee of the Synod of Lincoln Trails met on May 20, 2010, at First Presbyterian Church, Normal IL. **Present:** Elder Mike Beaver, Elder Lisa Crismore, Elder Pauline Rowles, The Rev. Susan Krummel, The Rev. Laura Reason, The Rev. David Smook, The Rev. Eddie Knox. Synod Moderator, The Rev. Carol McDonald and The Rev. Dave Crittenden, staff. The Rev John Rickard, General Presbyter of Blackhawk Presbytery was present at the request of the Synod of Lincoln Trails Executive Collegium. **Excused:** The Rev. Bruce Haapalainen, moderator, for medical reasons; elder John Swick.

Moderator pro tem Laura Reason opened the meeting with prayer at 10:20 a.m. after introductions around the table.

**REVIEW:** The committee reviewed the papers that had been presented including minutes from their previous meetings, a report from the Synod Collegium, and documents outlining the work done by the

Synod staff.

The Synod voted at its April 2010 meeting to move to one Full Time Equivalent Executive staff member by January 2012. There would need to be a plan in place to accomplish this by June 2011. There was a discussion about whether Dave and Carol would be candidates for this position; that decision was set aside until a later time.

**SETTING AGENDA FOR THE DAY:** The committee set its agenda for the day. How do we determine our process? Who are the stakeholders? What is the purpose/mission of the synod? We should put everything on the table: location of office, do we need a physical office, etc. What is the synod doing now? What could be dropped or added? Could it be done differently? What is mandated by the Book of Order?

What the Synod does now: Financial management; leadership development; staffing Presbytery search committees; PJC; Meetings, etc.; collegiums; records review; congregational development; mission coordination.

The relationships of the synod are with presbytery PJCs and clerks; communication staff; church development entities; CLPs; interims; new pastors; synod commissioners; collegiums; synod personnel.

The future of the Synod was discussed. It may be influenced by and include the following: shifting presbyteries including no staff; transitional training is needed; CLP and interim training is changing; need a place for the "walking wounded"; faith and money conversation; at stake is loss of connectionalism; ecumenical ministry.

Stakeholders include CLPs, executive presbyters, interims, new pastors, synod execs, PJCs, synod school and other fans, CPMs, Board of Directors, POC Exec Board, Midwest Hanmi. Future stakeholders may include presbytery execs, large congregations, pastors under 40, BOP/Foundation/PILP, judicial system, trustees of permanent legacies.

**IMPORTANT QUESTION RAISED:** A question was asked about the motivation for going to one FTE for executive staff. It became clear that there are reserve funds that could be used for salaries. The following four motions resulted from this discussion.

1. The Personnel Committee will ask for a vote to rescind the action to move to one FTE by January 2012.
2. The Committee recommends to the Synod that it plan and implement a three-year process to discern the future leadership needs of the Synod as the Synod moves into partnership in ministry and mission in new ways.
3. The Committee recommends to the Synod that it direct the Moderator to appoint a committee to plan and implement the discernment process.
4. The Committee recommends to the Board of Directors that the principal of reserve funds may be used as income in the operating budget of the Synod.

The Committee directed the Synod Moderator, Eddie Knox and Laura Reason to write a letter explaining these recommendations to the Synod commissioners, members of the collegium, and recipients of the Leadership Update.

**DISCUSSION OF POSITION/OFFICE OF STATED CLERK:** The Committee discussed the office of the Stated Clerk of the Synod. The current Clerk's term expires in December 2010.

The Committee voted to make this position a salaried employee position rather than contract staff. Carol and Dave will put together a job description for the committee to review and approve. The position will have a two-year term. The position will be advertised until August 15 and applications will be due by September 15. The Committee will bring a candidate to the October Synod meeting. Lisa and Laura will meet with the current clerk to inform him of the changes in the position, as well as his ability to apply for

the new position.

The Committee set its next meeting for Thursday, September 30 at First Church in Urbana at 10 a.m. Central time. It is hoped the committee will have several Stated Clerk applicants to interview.

Moderator Knox asked Vice-Moderator, Katherine Rieder to assume chair.

The commissioners voted on each of the items, points one (1) through four (4) of the Standing Committee on Personnel. **M/S**

**ACTION:** The Synod voted to approve the motion.

Moderator Knox resumed as chair of the meeting.

### **ADMINISTRATIVE COMMISSION REPORT: MIDWEST HANMI PRESBYTERY**

Rev. Beth Wagner, Presbytery of Great Rivers, and moderator of the commission reported, with elder John Braden, member of the commission also present.

The Synod Administrative Commission (SAC) continues to be delighted in the new members of the SAC. It has helped them to begin to divide and work on the continuing difficult and complex issue with the Canaan church and to also begin to address the issues within the Presbytery of Midwest Hanmi, which is also an instruction given to them by the Synod.

The SAC has spent several months working on a division agreement for the two distinct and separate entities within the congregation. The agreement included considerable work by SAC members, invited all sides of Canaan Church to share their thoughts on how to divide the church and personal consultations with Rev. Rhee, Promise Canaan representatives, and Covenant Canaan representatives. After much work the division agreement fashioned by the commission was turned down by the parties involved.

With the failure of the Division agreement the SAC has notified all parties that the commission is moving towards declaring schism, which is also a significant Book of Order matter (G-6.0800). The SAC will be holding consultations with Promise Canaan and Covenant Canaan at the end of August, after the consultation the commission will decide if it will declare a schism the beginning of September. If schism is declared, the commission's goal would be to create two vital and vibrant Presbyterian congregations.

Promise Canaan picketed the 219<sup>th</sup> General Assembly (2010) earlier this month, the Synod office and the Office of the General Assembly, Louisville, regarding any synod action of declaring schism. Clearly they are concerned about an action that we have not yet taken.

### **THE SYNOD RECESSED**

Moderator Knox announced a recessed for lunch at 12:15 pm with a prayer for the meal led by Rev. Cindy Shepherd, pastor at Philo Presbyterian Church, host of the Synod meeting. After lunch the meeting will continue with the Administrative Commission report and any questions the body may have.

### **THE SYNOD RECONVENED**

Moderator Knox reconvened the Synod with the continuation of the Administrative Commission report. Moderator Knox asked Rev. Christina Berry to act as moderator pro tem for the Standing Committee on Leadership Development with the absence of elder Nicholas Shargo due to flooding in the Chicago area.

## **ADMINISTRATIVE COMMISSION REPORT** continued.

Moderator Knox opened the floor for any questions or concerns for Rev. Wagner and the Administration Commission. After several persons expressed concerns and questions, Moderator Knox thanked Rev. Wagner and elder John Braden for their continued good work on the Synod's behalf. The work of the SAC has been a model of the effective pastoral and organizational expression of due and fair process via an administrative commission. The personal commitment of the individual members has been an inspiration of how Christ works through entities engaging intentionally in the disciplines of the church.

### **THE SYNOD RECESSED**

Moderator Knox recessed the Synod to Standing Committee meetings and to reconvene at 2:30 pm for reports.

### **THE SYNOD RECONVENED**

Moderator Knox reconvened the Synod at 2:30 pm.

## **STATED CLERK'S REPORT**

### **ITEMS OF INFORMATION**

1. The Synod's Permanent Judicial Commission met on April 16-17, 2010 for its annual meeting and training. The 2010 officers are elder Herman Barber, Moderator; Rev. Joan Malick, Vice-Moderator; elder Ann Kelson, Clerk; elder Bill Schaeffle, Associate Clerk.
2. On April 21-23, 2010 the stated clerks of the PC(U.S.A.) synods met for the Peer Review of Synod Minutes. The recommendations of the Peer Review regarding the synods' minutes will be presented to the 219<sup>th</sup> General Assembly (2010) for approval. The recommendation to the General Assembly for the 2009 minutes of the Synod of Lincoln Trails was for approval without exception and with one comment, "The 'Trust Report' as indicated in the audit on page 127 is missing".
3. On April 27-28 the stated clerks of the Synod's presbyteries met for the Peer Review of Presbytery Minutes. The group's recommendations regarding the minutes are listed in the Items for Action.
4. The Rev. Richard Poethig has resigned from the Synod's Administrative Commission for the Presbytery of Midwest Hanmi.
5. Pursuant to the action of the Synod on January 31, 2009, elder Gary Shaw, Whitewater Valley Presbytery, was appointed on June 1, 2010 to the Synod's Administrative Commission for the Presbytery of Midwest Hanmi.
6. The stated clerk is in receipt of a letter from Linda Long, Stated Clerk of the Presbytery of Wabash Valley, in which Ms. Long has indicated the presbytery's compliance with an order from the Synod's Permanent Judicial Commission that the presbytery conduct training for its permanent judicial commission. The order was contained in the Commission's decision of Remedial Case 08-02, Friedewald v. Presbytery of Whitewater Valley and Presbytery of Wabash Valley.
7. The stated clerk is in receipt of a remedial case filed with the General Assembly against the Synod, "Yong Sung Lee et. al. v. Administrative Commission of the Synod of Lincoln Trails" (Remedial Case 01-10). Upon the request of the Synod's administrative commission and pursuant to D-6.0302, the synod will elect persons to serve on the synod's committee of counsel (see Items for Action #8 below).

### **ITEMS FOR ACTION**

1. Approve the 2009 minutes of the Presbytery of Blackhawk without exception.

2. Approve the 2009 minutes of the Presbytery of Chicago without exception.
3. Approve the 2009 minutes of the Presbytery of Great Rivers without exception and with one comment, "The minutes' attestation of the stated clerk was absent the signature of the stated clerk".
4. Approve the 2009 minutes of the Presbytery of Midwest Hanmi without exception.
5. Approve the 2009 minutes of the Presbytery of Ohio Valley without exception.
6. Approve the 2009 minutes of the Presbytery of Southeastern Illinois without exception.
7. Approve the 2009 minutes of the Presbytery of Wabash Valley without exception.
8. Approve the 2009 minutes of the Presbytery of Whitewater Valley without exception and with one comment, "At the September 12 meeting, upon the recommendation of the Committee on Ministry the presbytery approved the establishment of an administrative commission 'with the full powers of the Book of Order'. Granting full powers to an administrative commission is an unwise action."
9. Elect the following persons to serve as the committee of counsel for Remedial Case 01-10, "Yong Sung Lee et. al. v. Administrative Commission of the Synod of Lincoln Trails": elder Gary Shaw, Presbytery of Whitewater Valley, moderator; elder Karen Goodwell, Presbytery of Ohio Valley; Rev. Ralph Mitchell, Presbytery of Whitewater Valley.

Moderator Knox asked for questions. Elder Jan Wilkerson questioned the omission of the Presbytery of Ohio Valley minutes from the report and with apologies, the Stated Clerk had inadvertently left out the Presbytery of Ohio Valley, their Minutes were approved without exception.

**ACTION:** The Synod voted to receive the report as amended by the Stated Clerk and approved the recommendations.

### **NOMINATING COMMITTEE REPORT**

Rev. Katherine Rieder, moderator of the committee reported.

The Nominating Committee recommends the following commissioners be elected for the positions listed.

#### **NOMINATING COMMITTEE**

Nominations for the Nominating Committee:

Rev. Mitch Coggin - Class of 2011 – Ohio Valley Presbytery  
 Elder Nathan Rush - Class of 2012 – Great Rivers Presbytery  
 Elder John Swick - Class of 2012 – Southeastern Illinois Presbytery

**ACTION:** Moderator Knox asked for nominations from the floor, with none nominations were closed and the recommendation was **M/S**, the Synod approved the nominations as recommended.

### **BOARD OF DIRECTORS REPORT**

The Board of Directors of the Synod of Lincoln Trails met for a regularly scheduled Board Meeting on May 21, 2010 at the Indiana Interchurch Center, Indianapolis, Indiana. The following information and action items from that meeting are presented to this Synod meeting:

#### **INFORMATION ITEMS:**

1. The Consolidated Activity Summary (Appendix A), the Consolidated Position Summary (Appendix B), the Capital Improvement Program Fund 90 Statement as of April 30, 2010 and the January 1 – April 30 Fund 90 Statement were reviewed. It was noted that all of the Participation Certificates were redeemed by December 31, 2009 and we are not holding any cash for former certificate holders. Nothing out of the ordinary or unexpected was noted.

The contract arrangement for the Synod of Lakes and Prairies' financial services was discussed. It was noted that the board is very pleased with the current arrangement. The Board revisited the possibility of contracting with Whitewater Valley Presbytery for this service as a part of consolidating the Synod and the presbytery and modeling shared staff within the Synod. Jay was very clear that his Synod would like to continue the partnership if possible but will do anything to make this a smooth transition. It was decided that this transition would not be made in 2010 and that the Board should review any new contract and be apprised of the timeline and steps towards any transition in this area.

2. Ginger Merkel explained the difference between the Uniform Management of Institutional Funds Act and Uniform Prudent Management of Institutional Funds Act. The later was designed to replace the former. These acts are adopted state by state and were put in place to help charitable institutions manage investments and prudently control expenditures. The Board needs to decide which, if any, of our investments are governed by these acts and which act controls our management.

3. Ginger Merkel shared her thoughts on our current Gift Acceptance Policy as outlined in the January 22, 2010 minutes. The Board agreed with her observations. She will write a draft of a revised Policy that better reflects our current position and needs. The draft will be circulated by email to all Board Members for review and suggestions. Once a perfected copy is obtained the Board will vote by email on the revised policy so that the Synod can vote on the policy at their July 2010 meeting.

4. The Board discussed the \$176,000 in Warrant Capital with the Interchurch Center. It was recently learned that this investment is not a partial equity ownership of the building because the building is part of the lease agreement for the land with Christian Theological Seminary. The investment makes us eligible to deduct an amount equal to 7% of it from our rent annually. It was noted the Board of Directors of the Interchurch Center will begin conversations regarding Warrant Capital in an effort to form a policy regarding these investments.

5. Jim Rissler, Presbyterian Investment and Loan Program, reported on the current state of the Synod's Capital Improvement Program (CIP). As noted in the financial reports all of the certificates were redeemed and the funds distributed by mid March 2010. There are currently two loans left to be refinanced. They both have significant issues that are being worked out. The outstanding loans are: (1) Park Ridge, Illinois, for \$104,000 which does not have clear title yet; and, (2) Walkerton, Indiana, which had been unwilling to refinance their \$14,400 debt but is now working toward that goal.

Jim noted that the interest and interest expense from the CIP is all but gone and what is coming in will not cover the month to month expense of managing the Capital Improvement Program under the original agreement. PILP has waived the \$750/month charge as of April 1, 2010 and is just charging the Synod the actual expenses.

We all look forward to a celebration when the transfer is complete in the near future!

6. Richard Lindley, Capin and Crouse, led the Board through the Combined Financial Statements with Accounts' Review Report and the accompanying management letter. The review showed the Synod is in a strong financial position as of December 31, 2009. It was noted that 2010 is an audit year according to previous action by the Board.

The following notes were part of the accompanying letter and the board agreed to work on them during 2010:

**Documentation of Internal Controls**

We discussed with management the need to have all internal controls documented. Internal controls provide written policies and procedures in order for all staff to know what is expected and to assist in providing consistency of controls in order to present the combined financial statements free of material misstatement. We recommend the Synod document the existing internal controls and then present this framework to the board for approval. We will provide some examples of such documentation.

*The Board will document the current activities and review them at their October 2010 meeting.*

#### **Documentation of Whistleblower Policy**

We noted that employees follow a general practice for reporting any potential fraud or conduct concerns. We recommend formalizing this practice into policy and including this policy in the framework of the Synod's internal control documentation.

*The Board will look at sample policies provided by Richard and write a policy for approval at the October 2010 Board meeting.*

#### **Policy for Revenue Recognition**

Revenue is generally recognized when received or when earned in accordance with generally accepted accounting principles in the United States of America. We noted that the Synod operates on a hybrid approach of a cash basis of accounting and an accrual basis of accounting throughout the year and converts to a full accrual basis at fiscal year end. In previous reviews, we noted that grants awarded to the Synod were not recorded in the proper period because the cash for the grant was not received prior to fiscal year end. We recommend the Synod review the policy for revenue recognition to ensure the conversion to full accrual basis is made at the end of each fiscal year.

*Jay Wilkinson and Dave Crittenden will work on resolving this issue and recommend a policy if needed.*

#### **Segregation of Duties over Cash Disbursements**

Per inquiry during our review, we noted that the outsourced bookkeeper has access to the check stock, is an authorized signer, is the only individual authorized for online banking, and reconciles the bank statements. The bank statements are not reviewed by an individual above the outsourced bookkeeper. This is a design in the deficiency of internal controls and allows the outsourced bookkeeper both an opportunity for fraud and an ability to cover up the fraud. We recommend changing the segregation of duties to mitigate this deficiency.

*To be addressed in the Internal Controls documentation.*

#### **Approval of Credit Card Expenses and Expense Reimbursements**

We made selections of credit card expenses and expense reimbursements to review for appropriate approval and documentation of business purpose. We noted that the Co-Executives generally approve each other's expenses. While this is appropriate for the operational purposes of the Synod, we recommend a board member review the expense reimbursements and credit card expenses of the Co-Executives on at least a quarterly basis.

*The Audit Committee has already looked at the statements and will continue to do so signing them each time they review them.*

#### **Monitoring of Investment Policy for Endowment Funds**

The investment policy for the Synod denotes specific objectives that are attempted to be achieved. We noted that there were no specific decisions or discussions documented on how to obtain these specific objectives. We recommend the Synod document the decisions made relating to the monitoring performed on the investment funds. We also noted that the investment policy is required to be updated every two years. We recommend the Synod review the investment policy and approve any changes.

#### **Physical Inventory**

We noted that management moved offices at the end of the fiscal year. We also noted that management indicated that the last physical inventory had been taken in 2007. We recommend the Synod perform a physical inventory count to ensure the completeness of their fixed assets for an upcoming audit.

*Dave will bring an updated fixed assets list to the October meeting.*

### **Gift Acceptance Policy**

We noted that management has been using a gift acceptance policy that includes gifts of which the fair value is difficult to determine. This includes gifts of real estate, remainder interests in properties, oil interests, mineral interests, and gas interests. Under the fair value disclosure topic of the financial accounting standards board accounting standards codification; these items are required to be presented at fair value. This can create an undue burden on the Synod to determine the fair value if these types of gifts were to be accepted. We recommend the Synod consider revising the gift acceptance policy to only accept those gifts which are consistent with the mission and do not create an undue administrative burden.

*To be approved by email prior to the July Synod meeting.*

### **Resolution of Cora Pope**

We have discussed with management the status of the Cora Pope Home over the past few years. We have noted that management has been working diligently to determine the appropriate legal and accounting treatment of this home. We recommend management formally document the final decision regarding the Cora Pope Home.

It was noted that all of the above mentioned suggestions and actions are to be in place before we change bookkeepers. Richard answered questions regarding the cost of a full audit for 2010, a multi year quote for reviews and audit and the advisability of using the same auditor of multiple agencies.

7. Attorney Donald Metzger filed suit against the Synod of Lincoln Trails and a separate suit against individual members of the Synod's Administrative Commission acting as Midwest Hanmi Presbytery to get payment for fees owed him in work done on behalf of Rev. Young Sam Rhee. The Synod is sharing legal costs with the Presbyterian Church (USA), a Corporation to defend the suit against the Synod, S. Kim Leech, and Mark Tammen of the General Assembly to Ian Webster, of Grippo & Elden of Chicago, Illinois. The agreement specifies each governing body will pay half. The Synod's half as of May 21, 2010 is \$64,787.99.

Church Mutual Insurance covered the costs of the suit against individual members of the Administrative Commission until April 1, 2010. Church Mutual has determined they are not liable for the coverage under our policy. We have employed Scott Hoyne (the same attorney Church Mutual retained) to represent the individuals. There have been no bills from Mr. Hoyne to date.

8. Dave reported on the Covenant Presbyterian Insurance Company, our former insurance company that went out of business June 1, 2009. They have called for several votes regarding ways to pay the \$100,000 deductible per claim that CPIP left their policyholders with when they closed their doors. The Synod abstained in all votes and has not agreed to or paid any suggested assessment. Other Synod's have sought legal counsel and the consensus is that CPIP filing bankruptcy is the best course of action. They will be forced into bankruptcy if none of their proposals are approved.

9. Dave presented an offer from Dakota Salts, LLC, Potash and Energy to lease salt and salt related mineral interest on our property in Burke County, North Dakota. This comes to us because we are the successor to United Capital Funds of the Illinois Synod of the United Presbyterian Church. The property is:

Township 163 North, Range 91 West, 5<sup>th</sup> Principle  
Section 20: NE4  
160 Gross Acres, 8.89 Net Acres (5.56% Ownership)

**ACTION:** The Board voted not to lease our rights. The Board is not interested in leasing our rights but is very interested in any and all bids for our property rights.

10. Dave presented the attached future Fixed Asset Purchases Report to the Board as requested at a prior Board meeting. The Board will review fixed assets annually.

**ACTION:** The Board approved the report as presented which involved:

a.) the purchase of two desktop computers between June and December 2010 at a cost not to exceed \$1500.

b.) the purchase of a computer server in January 2011 at a cost not to exceed \$1000

11. Marylynn Boatright plans to have a Synod of Lincoln Trails hospitality suite at the 2010 General Assembly in Minneapolis, July 3-10, 2010 in partnership with the Synod of Lakes and Prairies. Marylynn asked for the Board of Directors approval for the costs of food and drink for this suite which will include wine.

**ACTION:** The Board approved the request which involves making an exception to the current credit card policy of purchasing no alcohol.

12. Dave reported that the Personnel Committee will be presenting a revised time schedule for moving to one full time equivalent Executive position. Their recommendation to the Synod in July of 2010 will include the recommendation that the Synod and the Board of Directors allow the use of reserve funds as income in the operating budget of the Synod through the 2013 budget.

13. The Synod has \$1,000,000 invested in the Presbyterian Investment and Loan Program at this time. The Board was reminded of a request by a church in our synod to designate our investment toward their loan to help them reach their goal and/or reduce their interest rate. Jim Mann and Dave Crittenden will bring a recommendation to the October meeting for equitably helping churches and presbyteries in our Synod by designating our investment.

#### **RECOMMENDATION**

That the Synod approved the Gift Acceptance Policy approved by the Board of Directors in #6 of their report. (Appendix C)

**ACTION:** The Synod approved the recommendation.

#### **REPORT OF THE STANDING COMMITTEE ON MISSION COORDINATION AND ADMINISTRATION**

Elder Jan Wilkerson, Moderator of the Standing Committee reported.

The committee heard reports from the Budget Committee, Communications Committee and the Synod moderator.

The committee approved awarding \$75.00 scholarships for anyone wanting to attend the *Social Media in Ministry Conference* to be held at McCormick Seminary in Chicago, Illinois, October 15-16, 2010. Be watching your Leadership Update for more information on this conference opportunity.

#### **RECOMMENDATIONS FOR SYNOD ACTION:**

1. That the Synod approve the per capita figure for the 2011 Budget of \$3.81. **M/S**

**ACTION:** The Synod approved the recommendation.

Jan asked the Synod to look at line #54 of the gray sheets found in registration packets, the 2011 Budget Worksheet. (Appendix D)

2. That the Synod approve the proposed income projection for the 2011 Budget of \$930,577.

**ACTION:** The Synod approved the recommendation.

Jan informed the body that the expense portion of the budget will be brought to the body from each Standing Committee at the October meeting of the Synod.

## **REPORT OF THE STANDING COMMITTEE ON LEADERSHIP DEVELOPMENT**

Rev. Christina Berry, moderator pro tem reported for the committee.

### **INFORMATION/DISCUSSION/DECISIONS:**

#### **New Pastor Support Program:**

- Group 20 begins its 2<sup>nd</sup> year of its three-year cycle this fall. In September, Group 21 will begin with the following leadership: Alan Thames, Executive Presbyter, Presbytery of Whitewater Valley; Joy Douglas Strome, Pastor, Lakeview Presbyterian Church, Chicago, IL; Peggy McDonald, vocations assessment specialist and member-at-large, Whitewater Valley Presbytery; and Carol McDonald, Synod Co-Executive. The leadership team for Group 21 will meet on July 26 to plan for the first year's retreats.

#### **Interim Ministry Education:**

- Interim Ministry Education will be held November 1-5, 2010, in St. Louis, MO, at Mercy Center. At this point 4 persons are enrolled for Week I and 2 for Week II. Interim Executive Training will begin November 5, 2010 and conclude on November 9. At this point 3 are enrolled.
- An excellent conversation ensued about interim and transitional ministry...and what the impact of nFOG might be on the transitional ministry education endeavor of the PCUSA.

#### **Commissioned Lay Pastor Training:**

- The 10+ students have now studied Vocational Assessment and Healthy Ministry, Reformed Theology, Bible I and Bible II. Each teacher is asked to grade each student's papers and other work – so that presbyteries will have a better idea of how students really are doing academically. The presbyteries have received the vocational assessment reports on their students and, following the September class will receive an update on each student – as provided by faculty members with additional reflections by Carol McDonald.

#### **Supporting Commissioned Lay Pastors:**

- The third event in our "Making the Great Connection" series– led by Laura Reason and Bill Lawser is planned for August 27-28. At this point 16 persons have registered. We are also providing scholarship assistance for the Montreat CLP Conference featuring John Bell; as of today, we have received 2 scholarship requests.
- The importance of providing opportunities for CLP continuing education was discussed.

#### **Youth Ministry:**

- Carol is still seeking a coordinator for the Mid-High Retreat – to be held at Wabash Avenue Presbyterian Church in Crawfordsville, IN – a congregation of Wabash Valley Presbytery. She has asked the Rev. Anna Parkinson of First Presbyterian Church, Goshen, IN, to consider this – and she will pursue this invitation.

#### **Leadership Development Team:**

- Bill Lawser is working with Alan Thames, Susan McGhee and Jeff Hutcheson and their presbyteries on the development of committee leadership. Bill has been having conversations with the Executive and General Presbyters about leadership development needs in their respective presbyteries.

**North Central Wee Kirk:**

- We still need a person to serve on the Planning Team – to represent us. John Paulson or Mitch Coggin will consider this responsibility. Is John or Mitch willing to do this?

**Heiserman Grant Application and Program:**

- Our application was approved by the Synod Executive Forum in April; we have received our money; and registration forms are now available. We have already received 3 registrations from within our Synod, all from Blackhawk Presbytery – for the spring 2011 events.
- The packet that has been sent to our presbyteries was shared with the committee and with the entire Synod.

**New Business:**

- Nick Shargo recently had a conversation with Julie Windsor-Mitchell, the campus pastor at United Christian Ministries at Northwestern University. Nick could not attend today’s meeting. The committee will discuss the conversation at the October synod meeting. It was suggested that perhaps Julie be invited to visit with us at the October meeting of the Standing Committee.
- Budget for 2011 – we will present our budget at the October meeting.

**Other Business:**

- We discussed other learning opportunities that folks would appreciate: Community outreach for church camps/gatherings. How do we reach out without making people think we want their bodies in the pew, rather than Jesus telling us to reach out to spread the Word. John Swick mentioned the book The Fly in the Ointment which Southeastern Illinois’ Transition Team is reading and studying; it sounds like an excellent resource.

**OTHER BUSINESS**

Moderator Knox asked if there was any other business that the Synod should consider at this meeting.

Rev. Kim Leech questions the Standing Committee on Personnel’s report regarding the Stated Clerk position (Appendix E) indicating that the proposed position description has not yet been approved by the synod and that in his opinion the proposed allocation of 20 hours per month was not realistic.

Moderator Knox asked Carol McDonald to speak to the decision of the Standing Committee regarding the position of Stated Clerk.

Carol explained that the recently announced search for stated clerk candidates was made necessary by the committee’s decision to make the position a salaried staff position, thus requiring an open search process.

After much discussion, Katherine Rieder moved that the position description and related matters of the Stated Clerk be referred back to the Personnel Committee for further evaluation. **M/S**

**ACTION:** The Synod voted to approve the motion.

**WHAT ARE WE TAKING HOME?**

An outstanding worship service and thanks to those who planned it.

Moderator Knox asked for each person to give a one word sum-up of the Synod meeting:

Fast	Connective	Good friends	Informative
Inspirational	Common concerns	United	Productive
Helpful	Enlightening		

Moderator Knox asked for motion to adjourn. **M/S**

**ACTION:** The Synod voted to adjourn.

**CLOSING PRAYERS AND ADJOURNMENT**

Moderator Knox closed the meeting with prayer at 3:14 pm. The next stated meeting of the Synod is scheduled for Friday, October 29, 2010, at First Presbyterian Church, Urbana, Illinois.

Respectfully submitted,

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Rev. S. Kim Leech, Stated Clerk

**Attachments:** Appendix A - Detailed Statement of Activities  
Appendix B - Statement of Financial Position  
Appendix C - Gift Acceptance Policy & Guidelines  
Appendix D - 2011 Budget Worksheet  
Appendix E - Stated Clerk Position Description