



# MONEY FOR MISSION PROGRAM

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## IOMF ROLLOVERS INTO THE MONEY FOR MISSION FUND

### Background

The Money for Mission program allows Responsible Bodies who currently hold an Interest Only Mission Fund (**IOMF**) to roll the funds in that account into the Money for Mission Fund (**MFMF**). This information sheet provides some information on how this works and the benefits for Responsible Bodies considering this option.

### What is an IOMF?

An IOMF allows a Responsible Body to invest the post-sharing proceeds of property sales for a period:

- ▶ To allow for investment returns ahead of an anticipated or planned future capital mission enabling property project.
- ▶ To obtain investment returns that must be directed to missional activity if there are no capital related missional property projects possible or likely in the near to medium term, whilst ensuring the capital proceeds are protected and not dissipated.

An IOMF requires that capital be invested, and the earnings only from that invested capital be used in a missionally founded and UCA governance sanctioned manner.

Approval for the use of funds earned on the invested capital is required from church council, presbytery, and the relevant Synod governing body, usually the Ministry and Mission Committee.

IOMF's must be established for a specific period, commonly three years, but at maximum, five years. At the end of the 3-5 year period, any new reinvestment proposed must again be approved by church council, presbytery and the relevant Synod body. If approval is not gained, the funds may be forfeited to the wider church.

The earnings of an IOMF result from investment in U Ethical investment products being:

- ▶ Australian equities – 70% of invested funds
- ▶ Enhanced cash products – 30% of invested funds

Earnings must be spent in the manner outlined at the time of approval for the initial IOMF establishment.

### What are the benefits of rolling over an IOMF into the MFMF?

The benefits of a roll-over of an existing IOMF into the MFMF are:

- ▶ **Investment term reset** – The present term of the IOMF investment is immediately reset to 5 years from the date of investment in the MFMF. For IOMF's approaching expiry this may be attractive.
- ▶ **Flexibility of income use** – Income earned from the rolled over IOMF funds may be used for any of the needs of the Responsible Body – missional program-related or otherwise.



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- ▶ **A positive legacy for the UCA** – the wider church benefits in small part from the rolled-over IOMF fund earnings as:
  - The Responsible Body receives the same return as for an IOMF, being the 70% Australian Equities and 30% Enhanced Cash return rate.
  - The wider church receives the difference between the Responsible Body return and the MFMF return rate which is calculated on a 90% Australian Equities 10% Enhanced Cash rate.

## How do we rollover an IOMF into the MFMF?

Complete the form MFMF-A [available here](#) and when completed provide this to your Presbytery and Property Services.

## Important considerations to be aware of

- ▶ The minimum investment term for IOMF funds rolled over into the MFMF is seven years.
- ▶ There is no requirement to withdraw funds at the seven-year mark.
- ▶ Any withdrawal of funds from the MFMF after seven years is only possible for a missionally founded capital property project and must also coincide with the end of any renewed term for a rolled over IOMF investment pursuant to the point below.
- ▶ Rolled over IOMF's are set to a first term duration of five years, meaning that approval is required from presbytery and Synod for any further extension of the term, which if not provided may result in the invested funds reverting to the wider church via a change in Responsible Body. **Please note** – this is the same situation as that which applies to an IOMF.
- ▶ There is no increase in income received by the Responsible Body from a rolled over IOMF – the benefits are those shown above.

## Contacts

### YOUR PRESBYTERY PMA

**Steve Abonyi**  
[Steve.Abonyi@victas.uca.org.au](mailto:Steve.Abonyi@victas.uca.org.au)

**Peter Thomas**  
0410 487 373  
[peter.thomas@victas.uca.org.au](mailto:peter.thomas@victas.uca.org.au)

**Siobhan Reed**  
[Siobhan.Reed@victas.uca.org.au](mailto:Siobhan.Reed@victas.uca.org.au)