

Central District Conference Educational Debt Grant Policy

OVERVIEW

The purpose of this grant is to reduce the educational debt burden of Central District Conference (CDC) clergy. The application and approval process for this grant will be overseen by a five-member committee approved by the CDC Board of Directors. The committee will include the Conference Minister, a representative of the Ministerial Committee, a member of the Board of Directors, the CDC Administrator, and an at-large member. This grant is made possible by a one-time, \$50,000 donation by an anonymous donor. Unless funded beyond this one-time gift, the Educational Debt Grant will expire when the funds are depleted. The number of grants provided, and the amounts of grants are dependent on the funds available.

CONSIDERATIONS FOR APPLICATION

1. Grants are available to active credentialed (licensed or ordained) persons who are members of CDC congregations or who have been active in a CDC congregation for the past three years. Individuals reflective of groups who have been prohibited from ministry or discriminated against in the past are especially encouraged to apply.
2. Applicants must have outstanding educational debt from an accredited college, university, or seminary.
3. Applications are submitted to the conference minister and are considered and awarded by the CDC Board appointed Committee. Only committee members will view the actual applications. Reporting of aggregate statistics, without applicant identifying information, may be provided to the CDC Leadership Council or broader constituency.
4. **The application deadline is November 1, 2024. Grants will be awarded before December 31, 2024.**
5. Successful applicants will receive a grant of up to \$2000 without needing matching funds.
6. An additional grant of up to \$2000 may be awarded with a one-to-one match, dependent on the availability of funds. [Example: The grant awards Pastor Gretchen \$2000 unmatched. Pastor Gretchen's congregation provides a \$2000 student loan gift above her salary. An additional grant of up to \$2000 of matching funds may be provided from the CDC Educational Debt Grant) for a total of up to \$6000.] Proof of the matching grant is required. (See grant application.)
7. The number and size of grants available is dependent on the number of applicants. The amount of the grant shall not exceed the amount of outstanding educational debt of the applicant.

8. In addition to the above, various criteria will be used to award grants including, but not limited to, the amount of educational debt and household income.
9. The grants will be paid directly to the applicant. When the recipient is informed of their grant, they will also be sent a W-9 form which will need to be completed and returned to the CDC office. The recipient will then be issued an IRS 1099-MISC form (other income). **Please note that this grant is taxable income and may affect the recipient's tax rate.**
10. Some employers provide an educational assistance program that may allow the employer to make payments directly to a lender without any tax liability to the employee. See <https://www.kiplinger.com/taxes/tax-free-employer-student-loan-repayment-assistance>
11. Those with educational debt may also be interested to learn more about federal programs for debt reduction/elimination. It is our understanding that churches are qualifying non-profit institutions for which ministers may be eligible for some form of debt relief. The following websites may be helpful.

<https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service#qualifying-employment>

<https://studentaid.gov/manage-loans/forgiveness-cancellation>

<https://studentaid.gov/manage-loans/repayment/plans>

12. Mennonite Church USA and Everence have teamed up with [Financial Choice \(LSS\)](#) for debt counseling. This is confidential budget and debt counseling for pastors and congregation members. There is no charge for this service.

CDC Educational Debt Grant Application

INTRODUCTION

Applicants for the CDC Educational Debt Grant are expected to read and understand the Policy. Any questions should be directed to the Conference Minister. Applicants are also expected to clarify with their congregation or place of ministry what funds are available for the matching grant. This grant is made possible by a one-time, \$50,000 donation by an anonymous donor. Unless funded beyond this one-time gift, the Educational Debt Grant will expire when the funds are depleted. The number of grants provided and the amounts of the grants are dependent on the funds available and the number of grant requests.

The application deadline is November 1, 2024.

Central District Conference Application for Educational Debt Grant

Name _____

Birth date _____

Email address _____

Ministry position and FTE _____

Church or Employee Name _____

If you are part time, do you have other employment? If yes, what is your other employment?

Home address _____

Phone _____

Number of years in current ministry context _____

Total number of years in ministry _____

Do you self-identify as part of a of group that has been prohibited from ministry or discriminated against in the past?

How much student loan debt from an accredited college/university do you currently have?

What interest rate is your student loan debt? (Average rate if there are multiple education loans.)

Please list the educational institution(s) from which you accrued debt, and relative amounts of debt from each.

Has your congregation or employer helped you with student loan debt? If so, please describe.

If you are a pastor, what is the average worship attendance of your congregation? _____

What is the annual budget of your congregation or organization? _____

Financial Information: As we continue to evaluate how conference can best support our credentialed leaders, we are interested in better understanding their financial circumstances. We ask that you provide some basic information below. Personal information will only be seen by the committee administering student loan forgiveness grants, although we may choose to share aggregate information without identifying information of the applicants.

If married, Spouse's / Partner's name and vocation: (___ N/A) _____

Other Dependents' names and birth year:

What is your annual gross (before deductions) income from your ministry work? (Salary and any Social Security and housing allowance benefit, if a pastor.) _____

Annual gross (before deductions) income from other work if you are bi-vocational? _____

Annual gross (before deductions) income from a spouse or partner's work? _____

Do you own your home, rent, or live in a parsonage? _____

How many "geographical units" from the [MC USA salary guidelines](#) is your home assigned? _____

What benefits does your church or employer provide? (e.g. insurances, health savings account, continuing education funds, retirement, etc.)

Are there other ways in which you receive benefits? For example, if health insurance is provided, does your church or employer also cover your spouse and/or family? Other benefits through a spouse's employment? Please describe.

If matching funds are provided, what is the source of these funds and how much is provided?

What other household debt does your family have? Please list the type of debt and approximate current balance. (Balance on mortgage, credit cards, car notes, other family members' student loans, etc.)

Office Use Only: Date received _____
Decision _____
All documents received _____