

PARTNERS IN MINISTRY

**THE ROCKY MOUNTAIN MINISTRY NETWORK
AND CHURCH EXTENSION PLAN**

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INTRODUCTION



The Rocky Mountain Ministry Network has enjoyed a long and fruitful relationship with Church Extension Plan (CEP). CEP construction and expansion loans empower Assemblies of God churches to ride the wave of momentum and growth. Their retirement accounts, which have lower fees than those of competitors, enable AG ministers to retire with peace, freedom, and dignity. In addition, AG laypeople, local churches, and ministers are reaping the benefits of CEP's ethical investment opportunities which earn interest for investors while also expanding God's kingdom across the nation.

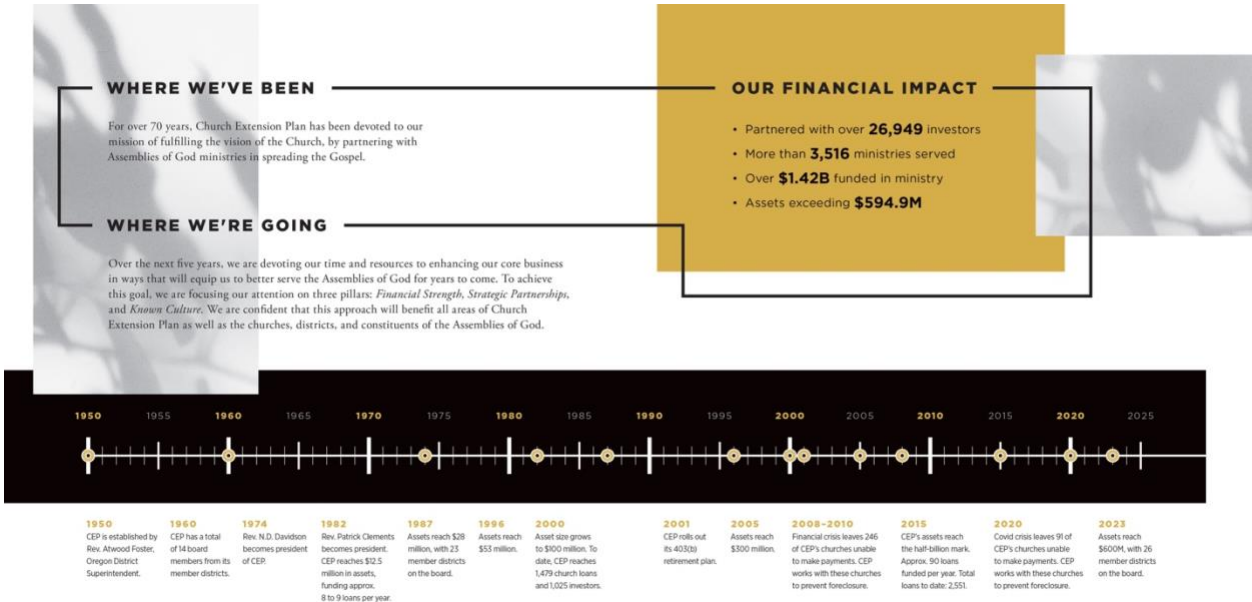
To assist those who are unfamiliar with Church Extension Plan's mission, governance, accountability structure, and unique place in the finance industry, I have written this resource to assist RMMN pastors, boards, and church administrators in becoming more familiar with these valuable partners.

The views and opinions expressed in this document are solely my own and do not necessarily reflect the official policy or position of Church Extension Plan or the Rocky Mountain Ministry Network. This content is provided as a resource for informational purposes only and should not be considered an official statement, investment advice, endorsement, or representation. For the most current and accurate information, please refer to official communications from Church Extension Plan.

"I am among you as one who serves." Luke 22:27

Gene Roncone
Superintendent, Rocky Mountain Ministry Network

1. CEP'S HISTORY



In the late 1940s, a visionary group of Oregon leaders saw the need for a financial institution to provide loans to churches for building projects, renovations, and ministry expansion. Their goal was to create a sustainable model enabling churches to grow and reach more people for Christ through faith-based lending.

In 1950, Oregon District Superintendent Atwood Foster established CEP in Salem, Oregon, as a loan fund designed to support the growth and development of Oregon churches within the Assemblies of God. In its early years, CEP operated on a modest scale, primarily serving local churches in the Oregon area. However, the organization quickly gained recognition for its effective model and began to expand its services to other districts nationwide. By the 1960s, CEP had grown significantly, offering various financial services to churches, including church loans, financial planning resources, and investment opportunities for church members.

In 1974, N.D. Davidson became the first President as CEP established its own identity outside the Oregon District Council. Under the leadership of Rev. Pat Clements, CEP experienced unprecedented growth from 1982 to 2016, reaching half a billion dollars in assets. Peter Clements served as CEP's President from 2016 to 2021 and was followed by its current President, Mark Whitney, who had already been part of the CEP management team for 23 years.

Over the decades, CEP has continued to provide its core services, such as church loans and investment opportunities, to help meet the evolving needs of churches and ministers. By the 1990s, the organization had funded thousands of church projects, helping to establish a robust network of thriving churches nationwide. In 2001, CEP rolled out its 403(b) retirement plan. By 2024, CEP had partnered with 26,949 investors, served 3,516 ministers, funded over \$1.42 billion in loans, and acquired nearly \$595 million in assets.

CEP's notable achievements are its ability to remain financially stable and solvent through various economic cycles. Its history is a testament to the power of Spirit-driven ministry, vision, ethical leadership, and localized support. From its humble beginnings, CEP has grown into a national organization that has profoundly impacted the growth and health of Assemblies of God churches nationwide. As it looks to the future, CEP remains dedicated to its mission of empowering churches and ministers to fulfill their calling and serve their communities effectively.



2. WHAT IS CEP?

Church Extension Plan (CEP) is based in Salem, Oregon, and is a financial ministry dedicated to supporting the growth and development of churches and ministers within the Assemblies of God. CEP is a registered Church Extension Fund (CEF), which is a non-profit organization provided for by the Securities Exchange Commission (SEC) and regulated by the North American Security Administrators Association (NASAA) in accordance with their [Statement of Policy](#) (SOP).

CEP's stated purpose is as follows:

Church Extension Plan is a ministry providing preferred financial and administrative services to the churches and districts of the Assemblies of God and their constituents, assisting them in fulfilling their vision of spreading the Gospel.

Established in 1950, CEP provides various financial services, including loans for church construction, renovation projects, and ministry expansion. These services help churches build and improve their facilities to better serve their congregations and communities. In addition to loans, CEP offers investment opportunities for ministers, churches, and congregants who want to support church growth while earning a competitive return on their investment. Investing with CEP creates a sustainable cycle of support and development within the Assemblies of God community.

CEP also helps ministers retire with peace, freedom, and dignity by providing retirement accounts that maximize tax benefits. In addition, they provide financial planning and management resources, seminars, and consulting services to churches to help them manage their finances effectively. This holistic approach ensures that churches are not only able to secure the funds they need but also maintain long-term financial health.

Our partnership with CEP has provided the following benefits to our RMMN churches, ministers, and congregants:

- A. Access to capital.** One of the primary advantages of CEP is that it provides churches with access to capital for large projects. Traditional loans can be difficult to secure, especially for smaller congregations. CEP pools resources from multiple investors and makes it easier to finance new buildings, expansions, or renovations.
- B. Community collaboration.** CEP fosters a sense of community and ownership among Assemblies of God churches, church members, and ministers. By investing in the fund, AG churches and people contribute to the growth and development not only of the RMMN but also our National Fellowship.

- C. Potential for financial return.** For investing churches and individuals, CEP can offer competitive returns on investments that can be an attractive feature, making it a viable alternative to other investment options.
- D. Flexible financing options.** It is not uncommon for CEP to offer more flexible borrowing terms compared to other financial institutions. This flexibility can include lower interest rates, longer repayment periods, and the ability to structure loans in a way that aligns with the church's cash flow and financial capacity.
- E. Facilitating kingdom growth.** CEP plays a crucial role in supporting the church's growth by providing the necessary funding for expansion and new projects. This growth can include new facilities, outreach programs, and enhanced services, ultimately helping the church fulfill its mission and reach more people.

Overall, CEP strongly emphasizes transparency, customer service, accountability, and ethical stewardship. For example, unlike traditional sales and marketing teams, CEP employs ministry consultants who are seasoned pastors with a keen sensitivity and understanding of local ministry. It is for these reasons that CEP has earned the trust of churches, ministers, and investors while significantly impacting church communities nationwide.



3. CEP'S LEADERSHIP TEAM

God has blessed CEP with a wonderful leadership community made up of board members, a management team, and dedicated employees.

A. CEP's Board of Directors. CEP's entire board consists of 26 district/network superintendents from districts/networks nationwide and the President/CEO. This community has a passion for serving churches and ministers. This structure has proven valuable for many reasons:

- **Influence.** It gives CEP immediate access to the most influential leaders in the AG (26 district/network superintendents who have authority, influence, and decision-making authority regarding thousands of churches).
- **Connection.** It gives CEP a connection with those they serve (churches, pastors, and church adherents).
- **Accountability.** It guarantees a voice for CEP's stated customer base in their offering circular and ensures that churches, ministers, and church investors are heard and represented in the decision-making processes. Few people are more qualified to understand AG ministries and their constituency than a district/network superintendent overseeing a particular region.
- **Representation.** It ensures diverse geographic, national, cultural, and language representation and perspective. For example, the 2022 church and adherent data and the 2023 minister data published by the Assemblies of God reveal the following representation on the current CEP board:
 - 97% of the geographic territory of the AG USA (64 of 66 districts/networks)
 - 35% of AG churches in the US (5,727 of 12,681 churches)
 - 45% of AG ministers in the US (17,010 of 37,885 ministers)
 - 49% of AG adherents in the US (1,422,660 of 2,928,143 adherents)
 - 39% of AG district/network superintendents (26 of 66 superintendents)
 - 7% of AG general presbyters (26 of 354 general presbyters)
- **Commitment.** The average tenure of a superintendent hovers around ten years. Superintendents serving on CEP's board enable the roots of commitment to grow deeply into the soil of longevity, organizational memory, relevance, cultural awareness, and relationships.

B. CEP's Management Team. CEP has a dedicated management team with outstanding employees. Following is a list of CEP's management team from left to right:

- Rev. Jeremy Stamback, Senior Vice President of Ministry Consulting
- Rev. John Garcia, Senior Vice President of Hispanic Services
- Mark Whitney, President
- Dian McDonald, Chief Financial Officer
- Caleb Clements, Vice President of Marketing & Strategy





4. WHAT MAKES CEP UNIQUE?

Church Extension Plan falls into a unique category within the finance industry. It is not a bank but rather a faith-based nonprofit organization called a Church Extension Fund (CEF). CEFs are nonprofit organizations affiliated with a church or denomination that make loans to facilitate site acquisitions, new facilities, improvements to existing facilities, or renovations to their partner organizations. CEFs offer investments to investors and then use the capital from those notes to finance church loans. Let us clarify this topic by answering a few common questions.

- A. What is CEP's purpose and vision?** CEP was founded to help Assemblies of God churches expand their ministries by financing capital improvements and other fixed assets. Their vision is to be the preferred financial and administrative service provider to Assemblies of God's churches, districts/networks, and their constituents, assisting them in fulfilling their vision of spreading the gospel.
- B. What kind of financial organization is CEP?** CEP is a Church Extension Fund (CEF). CEFs are nonprofit organizations affiliated with a church or denomination that make loans to facilitate site acquisitions, new facilities, improvements to existing facilities, or renovations to their partner organizations. CEFs are unique financial service organizations provided for and under the regulation of the U.S. Securities and Exchange Commission (SEC), North American Securities Administrators Association, Inc. (NASAA), Financial Industry Regulatory Authority (FINRA) as well as state and federal laws.
- C. What is a Church Extension Fund (CEF)?** A CEF is a financial institution or organization that provides investment and lending services primarily to churches and other religious institutions. They raise funds from investors, often members of the same religious community, and use those funds to provide loans and financial assistance to churches for construction, renovation, land acquisition, and other capital projects. Investors in a Church Extension Fund are often referred to as shareholders, and their investments are used to fund the loans and financial assistance to churches. The interest earned from these loans is returned to the investors as dividends or interest payments. It is important to note that the specific structure and operation of Church Extension Funds can vary between denominations and organizations. CEFs are vital in helping churches within a denomination address their financial needs, manage capital projects, and grow their ministries while maintaining a strong sense of financial stewardship and accountability.
- D. Who regulates Church Extension Funds?** The regulation of CEFs can vary depending on the state, denomination, or religious organization involved. In many cases, the oversight and regulation of CEFs fall under a combination of the following authorities:

- **Financial regulatory authorities.** Depending on the jurisdiction and size of the CEF, financial regulatory authorities may have authoritative oversight. For example, some CEFs are subject to state regulatory agencies or the U.S. Securities and Exchange Commission (SEC) in the United States, particularly if they offer investment products or securities. In addition, the North American Securities Administrators Association, Inc. (NASAA) has determined a [Statement of Policy](#) (SOP) for CEFs to ensure the securities they offer are consistent with public investor protection and are in the public interest. It is also common for a CEF's employees to have passed competency exams (Series 63 and others) and registered as security providers with the Financial Industry Regulatory Authority (FINRA).
- **Nonprofit and charity regulations.** CEFs are registered as nonprofit organizations under Internal Revenue Code Section 501(c)(3) and are subject to the laws and regulations governing such entities. These regulations often involve financial reporting, tax-exempt status, governance standards, and transparency requirements.
- **Consumer protection agencies.** In some cases, consumer protection agencies may have a role in regulating CEFs, especially if there are concerns about fraudulent activities, mismanagement of funds, or violations of financial laws.
- **Religious denominations.** The primary regulatory authority for CEFs is often the religious denomination or organization with which they are affiliated. Denominations may establish guidelines, policies, and oversight mechanisms to ensure the responsible management of funds and adherence to their religious beliefs and principles.
- **Legal counsel.** Many CEFs seek legal counsel to ensure compliance with all relevant laws and regulations, including those related to financial management, investments, generally accepted accounting principles (GAAP), and charitable activities.

E. What auditing and accounting standards are CEFs required to use? CEFs are currently required to use the following standards:

- **Annual audited financial statements.** NASAA requires CEFs to provide financial statements that have been audited and reported upon by an independent Certified Public Accountant in accordance with auditing standards generally accepted in the United States. These audits are then used to measure a CEF's status regarding the financial standards mentioned in NASAA's [Statement of Policy](#) (SOP).
- **GAAP.** In addition, CEF's in the United States must use generally accepted accounting principles (GAAP) as established by the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB), Accounting Research Bulletins (ARB), and American Institute of Certified Public Accountants (AICPA). The AICPA's [Audit and Accounting Guide for Not-For-Profit Organizations](#) provides guidance on specific GAAP for not-for-profit organizations. A not-for-profit organization generally possesses the following characteristics (in varying degrees) that distinguish it from a business enterprise: (a) contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate pecuniary

return, (b) operating purposes other than to provide goods or services at a profit, and (c) absence of ownership interests like those of business enterprises.

- **CECL accounting standard.** Current Expected Credit Loss (CECL) is an accounting standard implemented by the Financial Accounting Standards Board (FASB) that attempts to predict loan losses. The standard requires financial institutions to use a formula (determined by FASB) to estimate expected credit losses over the life of a loan at the time it is originated or acquired. This differs from the previous model where losses were recognized only when probable.

F. Why are CEFs not insured by the FDIC? The Federal Deposit Insurance Corporation (FDIC) is the agency that insures deposits at member banks in the event of a bank failure. There are four primary reasons why CEFs are not members of the FDIC. First, CEFs are not a bank but a nonprofit Church Extension Fund and cannot participate in the federal insurance program. Second, if CEFs were insured by the FDIC, they would be required to provide loans to organizations whose beliefs violate our religious convictions. Third, the nature of a CEF and the limitations placed upon them in their offering circulars require them to serve their own denomination or affiliated ministries. Much like a credit union, they must confine their services to a clearly defined faith-based constituency. Fourth, a CEF's ability to repay principal and interest is dependent on their financial condition instead of limited insurance thresholds. Instead of FDIC coverage, which is limited to \$250,000 per depositor, CEFs are backed by their assets, which include all the properties secured by its loans. For example, if Church Extension Plan had to close its doors for business, it would sell off its assets and pay back investors. That is why CEP maintains a higher amount of assets than what is owed back to its investors (also known as net assets). At the time of this writing, approximately \$13 million would be left over after assets were sold and investors paid back.

It is important to note that the level of regulation can vary significantly based on factors such as the size of the CEF, the scope of its activities, and the jurisdiction in which it operates. Smaller CEFs may have less formal oversight while larger ones with significant financial operations may be subject to more stringent regulatory requirements.



5. NASAA'S STATEMENT OF POLICY

As mentioned previously, a CEF is accountable to several organizations depending on the states in which they offer investment notes. However, most of the policy concerning CEFs is determined by the North American Securities Administrators Association (NASAA). NASAA plays a critical role in regulating securities to protect investors. Among the various types of securities, Church Extension Funds (CEFs) present unique regulatory challenges due to their religious affiliation and investment structure. NASAA's [Statement of Policy](#) (SOP) on Church Extension Funds addresses these challenges to protect investors while recognizing the unique religious nature of a CEF.

- A. The Genesis of CEFs.** Church Extension Funds have a history dating back to the early 20th century. CEFs are investment programs established by religious organizations to raise capital for church-related projects, such as building new churches, renovating existing facilities, refinancing debt, or funding capital improvements. Typically, CEFs raise money by offering investment opportunities to church members and other supporters. The need for specific regulatory guidelines for CEFs became apparent as these funds grew in popularity among many denominations. In the early days, the regulation of CEFs was inconsistent with different states applying varying standards. This inconsistency led to a lack of clarity and inadequate investor protection.
- B. The Formation of NASAA.** Founded in 1919, the North American Securities Administrators Association is a voluntary association of state, provincial, and territorial securities regulators in the United States, Canada, and Mexico. Its mission is to protect investors from fraud and abuse in the offer and sale of securities. Recognizing the unique nature of CEFs, NASAA began to develop policies that would provide a framework for their regulation.
- C. NASAA's Statement of Policy.** NASAA issued its initial [Statement of Policy](#) on Church Extension Funds on April 17, 1994. This policy was established to provide a clear and uniform regulatory framework for the registration and oversight of Church Extension Funds across various states. The policy aimed to ensure that these funds operated transparently and ethically, offered adequate disclosures to investors, maintained sound financial practices, and adhered to ethical sales practices. This initial policy laid the groundwork for subsequent updates and refinements, helping to protect investors while accommodating the unique nature of Church Extension Funds. The key elements of the policy include:
- **Disclosure requirements.** CEFs are required to provide a document called an “offering circular” written in clearly understandable language which discloses all relevant and material information that would affect a prospective investor’s decision before investing.

- **Financial standards.** CEFs are required to meet minimum financial standards, such as maintaining certain reserve levels and limiting the amount of debt they can incur.
- **Sales practices.** CEFs are required to comply with standards of how they register, market, and offer investment opportunities to ensure ethical practices and protect investors from misleading information.
- **Investor suitability.** CEFs are required to implement criteria to determine the suitability of investments for potential investors, aiming to prevent inappropriate sales to individuals who might not fully understand the risks.

D. Revisions and updates. Over the years, NASAA has periodically reviewed and updated its [Statement of Policy](#) on Church Extension Funds to adapt to changing market conditions and regulatory needs. These updates have often been driven by feedback from state regulators, religious organizations, and investors. In 2002, NASAA made significant revisions to the policy, enhancing the financial disclosure requirements and tightening the financial standards. These changes aimed to increase transparency and ensure that CEFs maintained sufficient financial health to meet their obligations to investors.

E. Financial standards. NASAA's statement of policy is a long, technical document that addresses many important areas, such as definitions and terminology, qualifications, licensing and marketing criteria, and required disclosures. The following six financial standards are critical.

- **General standards** require audited financial statements, the filing of an offering circular, audit notes, and compliance with SOP standards.
- **The capital adequacy standard** requires the CEF's net assets to be positive and at least 5 percent of its total assets at the end of its most recent fiscal year.
- **The liquidity status standard** requires that at the end of its most recent fiscal year as reported in its audited financial statements, a CEF's cash, cash equivalents, readily marketable securities, and available lines of credit shall have a value of at least 8 percent of the principal balance of its total outstanding notes except that the value of available lines of credit for meeting this standard shall not exceed 2 percent of the principal balance of its total outstanding notes. They are also required to establish and administer investment policies that provide reasonable and prudent diversification and preservation of cash, cash equivalents, and readily marketable securities for compliance.
- **The cash flow performance standard** requires that the coverage ratio of available cash as compared to cash redemptions of notes, exclusive of denominational accounts, of a CEF's three most recent fiscal years as reported in its audited financial statements shall be at least one to one (1:1).
- **The loan equity standard** requires the CEF's most recent audit to show capital adequacy, explain any material loan delinquencies and lending policies, and ensure that 90 percent of a CEF's loans are secured by real property.

- **The operating trends standard.** The change in net assets of the CEF, less any nonrecurring or extraordinary items, for three of the last five fiscal years as reported in the audited financial statements of the issuer shall be positive. The NASAA administrator may limit or require justification of material nonmonetary contributions to be included in the change in net assets of the issuer.

NASAA's [Statement of Policy](#) on Church Extension Funds reflects a balance between protecting investors and acknowledging the unique characteristics of these funds. The policy continues to emphasize robust disclosure, sound financial practices, and ethical sales practices. This helps to ensure that investors are well-informed and protected.

NASAA's statement of policy can be accessed at [this link](#).



6. REGULATORY AUTHORITY

NASAA administrators have the authority to regulate a Church Extension Fund (CEF) in several ways as it relates to state security laws and investor protection. Church Extension Funds, which typically raise money through the sale of debt securities to fund church-related projects, can fall under NASAA's purview in the following areas:

- A. State securities registration.** If a Church Extension Fund offers and sells its securities within a particular state, it may be subject to that state's securities registration requirements even if exempt from federal requirements. Through its member state securities regulators, NASAA oversees the registration of such securities to ensure compliance with state laws. Furthermore, state regulators and the administrator have the authority to:
- Require registration and notice of filing of notes and securities.
 - Determine whether a CEF is exempt, not exempt, or requires qualified exemption.
 - Require or waive testing, broker-dealer registration, or agent exams.
 - Require the offering circular to record deficiencies, additional explanation of material facts, or the inclusion of relevant information in the document's legends.
- B. Disclosure requirements.** Church Extension Funds may be required to provide certain disclosures to investors under state securities laws. NASAA members can regulate the content and adequacy of these disclosures to ensure that investors receive sufficient information to make informed decisions.
- C. Exemptions and qualifications.** While some Church Extension Funds may qualify for exemptions from state registration under specific conditions, NASAA members can oversee these exemptions to ensure they are properly applied and that the funds meet all required criteria.
- D. Anti-fraud measures.** NASAA has the authority to investigate and take action against fraudulent activities involving Church Extension Funds. This includes pursuing enforcement actions against entities or individuals engaging in deceptive practices or violations of state securities laws.
- E. Investor protection.** NASAA and its member states prioritize protecting investors. This involves monitoring the activities of Church Extension Funds, addressing investor complaints, and providing guidance to help investors understand the risks and benefits associated with these types of investments.

NASAA regulates Church Extension Funds primarily through enforcing state securities laws, ensuring proper disclosure, monitoring exemptions, preventing fraud, and protecting investors.



7. GOVERNANCE AND STRUCTURE

You may have questions about CEP’s decision-making process, accountability structure, transparency, and organizational configuration. Following are a few frequently asked questions.

A. Who is entrusted with management decisions? CEP’s President/CEO leads the organization, is entrusted with management decisions, and supervises all CEP employees. The board defers to the President regarding preferential matters of staff supervision, office operations, and CEP day-to-day management.

B. What is the role of the board? The board’s role involves three types of governance:

- **Fiduciary governance.** The board oversees facilities, budgets, policy, financial integrity, and the organization’s tangible assets.
- **Strategic governance.** The board determines vision, purpose, and mission fulfillment within the context of a collaborative relationship with management.
- **Generative governance.** The board engages in problem-solving, realizing potential, and maximizing opportunity.

The National Center for Nonprofit Boards has issued a paper on “[Ten Basic Responsibilities of Nonprofit Boards](#)” to clarify expectations and responsibilities. This resource has helped CEP set its own expectations regarding the board's role in achieving its missional objectives as a faith-based organization. The role of CEP’s board is to...

- Determine the organization’s mission and purpose.
- Select, review, and empower the President/CEO.
- Safeguard organizational credibility.
- Approve budgets, operating procedures, and policies.
- Ensure effective organizational planning and the execution of goals.
- Ensure adequate resources.
- Faithfully attend and participate in meetings.
- Determine, monitor, and evaluate organizational programs.
- Protect CEP’s public image.
- Assess its performance.

CEP’s board consists of superintendents from engaged districts/networks (Bylaws, Article II). Their collective role is to safeguard CEP’s mission, provide accountability, approve policy, ensure an annual audit is conducted, and promote CEP in their respective region. The board usually meets twice yearly at a place and time determined by the President or Executive Committee (Bylaws Article III, 3).

C. What is the role of the board’s Executive Committee? CEP’s Executive Committee is comprised of four corporate officers: President/CEO, Vice President/Board Chair, Treasurer, and Secretary. As an Executive Committee, they are empowered to establish operational procedures, fill vacancies in the Executive Committee (ratified by the entire board), serve as a nominating committee in selecting a President/CEO, and make decisions in between biannual board meetings [Bylaws, Article III, 14, a, (6)]. The current members of the Executive Committee are:

- **President and Chief Executive Officer (CEO).** Mark Whitney. The President is the Chief Executive Officer (CEO) entrusted with managing the organization’s day-to-day operations and executing CEP’s mission (Bylaws Article IV, 5).
- **Vice President and Board Chair.** Gene Roncone (Superintendent, Rocky Mountain Ministry Network). The Vice President chairs meetings of the entire board and the Executive Committee (Bylaws, Article IV, 6). The President and Vice President collaborate to create a written job description for the Board Chair.
- **Treasurer.** Aaron Hlavin (Superintendent, Michigan Ministry Network). The Treasurer confirms that financial statements are accurate, reports are given, an annual audit is conducted, and fiscal protocols are followed by CEP’s accounting staff (Bylaws, Article IV, 8).
- **Secretary.** Abner Adorno (Superintendent, Florida Multicultural District). The Secretary ensures that minutes are taken and are accurately recorded and approved and signs legal documents (Bylaws, Article IV, 7).

The Executive Committee usually meets once a quarter or at the call of the President.

D. How long are board terms? The President/CEO serves at the will of the CEP board. Each board member serves for a five-year renewable term (Bylaws Article III, 2). The Executive Committee terms are three years with nominations made by the entire board and elected by the same (Bylaws, Article III, 14, a, 4).



8. HOW CEP CAN HELP YOU

Church Extension Plan (CEP) is a ministry that provides financial services to Assemblies of God districts/networks, churches, and their constituents by assisting them in fulfilling their vision of spreading the gospel.

For over 70 years, CEP has partnered with more than 3,000 churches by providing church loans, ministers' retirement plans, and individual and organizational investments. At the heart of these interactions is a spirit of a win-win partnership that often takes them "outside the box" of a traditional financial institution.

CEP balances the tension between financial stability and visionary ministry potential to better serve the local church and pastor. They believe in the local church and in your future! Because of that belief, they stand ready to serve you in four specific ways:

A. Strategic conversations. The leadership demands placed on a pastor are numerous and broad. Many pastors do not always have training in strategic financial planning and how to facilitate their ministry's vision. Unlike other institutional lenders, CEP welcomes conversations around your vision and what steps God is calling your church to take. In fact, they encourage you to connect with them early in your vision planning. Their experience can often help you identify the next step to take toward reaching the vision. They can also help explore strategic objectives to work toward what would better align the church with your vision goals in the future and prepare you to explore funding options.

CEP's ministry consultants are seasoned ministers with pastoral ministry experience and understand what it is like to be in your position. Additionally, CEP has strategic partnerships with other ministry-minded organizations that can speak into various aspects of your vision outside of CEP's area of expertise.

B. Planning for the future. Too many pastors get to the last chapter of their careers and are not prepared for a future outside of full-time ministry. A 2017 survey conducted by Grey Matter Research and Consulting for the Assemblies of God on Ministers and Finances determined that 40 percent of senior pastors have under \$10,000 of retirement savings, 37 percent of ministers under the age of 45 have no retirement savings, and the median retirement savings of AG lead pastors is \$20,000, leaving the vast majority of pastors woefully underprepared for the future.

Failing to adequately prepare for retirement as a young minister is why many pastors stay in full-time ministry past their prime and often feel stuck. Additionally, stress over retirement and finances is a leading cause of ministers leaving the ministry.

CEP believes it is crucial that pastors start planning for retirement. Even saving a small amount now, for example—3 percent of their monthly income, and increasing it to 10-15 percent as their income grows, will set them on a healthy trajectory for retirement later.

Why is retirement planning and saving now so crucial? A few of the benefits for saving for retirement now are as follows:

- Having financial peace of mind today and in their senior years as the amount in savings will continue to grow over time with compounded interest.
- The flexibility in schedule to spend time with family and friends.
- The freedom to travel as desired and explore new places.
- The ability to go on extended missions trips and support missionaries through long-term service.
- The availability to participate in new ministry opportunities without the fear of inadequate compensation.
- Assists in safeguarding against the uncertainty of Social Security benefits.

Every dollar invested with CEP is assigned a mission—to empower ministry by funding church loans across the country. Consequently, while your pastor’s retirement funds grow to benefit their family and future, they are also used to enable kingdom growth. Opening an individual retirement account or creating a church-sponsored plan is very easy. CEP’s team of experts can assist you every step of the way.

C. Investing in ministry. How much a church should keep in savings is a commonly asked question. CEP recommends that churches strive to have at least 3-6 months’ worth of operating expenses set aside in savings. This can help cover recurring expenses such as salaries, utilities, and maintenance during periods of reduced income, interruptions in weekly services, or unexpected financial challenges. This same principle relates to your personal savings as well.

Additionally, some churches may have specific savings goals such as funding future building projects, expanding ministries, or supporting outreach programs. Creating these savings goals will help you stay within your church’s financial margin. Too often, churches do not plan and end up overspending to accommodate these special projects and initiatives at the expense of monthly cash flow.

Church Extension Plan recommends that you take an active approach to managing your savings. Consider keeping the equivalent of one month’s operating expenses in an easily accessible checking or savings account. Allocate 2-3 months’ worth of operating expenses into a combination of a 30-day access account and a short-term investment. Both will typically earn a very competitive rate of return. If you are saving for a future capital project, consider investing in terms that are closer to your project timeline. Our

ministry consultants can help you construct a savings plan that works for your needs and puts those funds to work for your ministry.

When you invest with CEP, you choose the investment amount, term, and interest payment schedule that best fits your savings needs and goals. As you reap the benefits of their competitive rates and flexible terms, your investment will also fund loans to Assemblies of God ministries.

D. Funding the vision. CEP understands the mission of the Church. CEP also believes that God gives you a specific and unique vision for how that mission is to be accomplished in your community. That vision will often require financing for buildings, construction, renovations, and relocation projects. CEP values strategic interactions with pastors even if those interactions do not immediately lead to financial transactions. CEP is available and willing to be a part of this process in the foundational stages to help you formulate a plan. Formulating that plan addresses the following questions:

- What are the spiritual and felt needs in your community that your church is equipped to address?
- How does your campus facilitate your vision?
- Is your campus strategically located within your community?
- What financial and asset adjustments do you need to make to accommodate your vision?
- Who are you inviting to speak into your vision?
- What additional partnerships are needed to realize your vision?
- What financial resources are needed to fund your vision?
- Will your vision require special fundraising or a capital campaign?
- What is the appropriate timeline for your vision?
- Can your vision be accomplished in phases?
- Is your vision scalable to grow as your church grows?

CEP sees the potential for growth traditional lenders do not notice and understands the passion that drives your ministry and the outcome it produces in the kingdom. When CEP begins discussing loan options, they will weigh your vision alongside your budget and measure the value of your ministry in terms of changed lives and community impact. When you work with CEP, they will evaluate your church as a ministry, not as a business.

Your next step. God has given you great vision in your life, ministry, and church. What is the next step you need to take to make that vision become reality? CEP invites you to start a conversation with their ministry consultants today. They are available by phone at 800-821-1112 or by e-mail at consulting@cepnet.com. Learn more online at www.cepnet.com.