

## **Presbytery Investment and Funds Management Policy**

### **A. Purpose**

The purpose of the Presbytery's financial resources is to ensure dynamic advancement of the Kingdom of God through income, gifts, bequests and accumulated funds. These resources are intended to birth, grow, and support programs and projects which will perpetuate the teachings of Jesus.

### **B. Date Established**

These policies and procedures were voted into existence by the Presbytery on April 11, 2002 *and updated Nov. 12, 2016.*

### **C. Fiscal Year**

The Presbytery of Kiskiminetas fiscal year is the same as the calendar year.

### **D. Administration Responsibility**

The oversight of financial resources is lodged in the Presbytery Cabinet. The Presbytery Administration ~~Committee~~ *Team (PAT)* shall be responsible for making investment and management recommendations to the Presbytery Cabinet. The ~~General Presbyter~~ *PAT* is responsible for budget development, general financial oversight and administration. The Bookkeeper is responsible for funds disbursement, accounting and reporting with oversight by the Treasurer.

### **E. Full Disclosure**

The annual report will disclose all gift amounts made within the year as well as the investment results and disbursements. The information on gift receipts, investments and disbursements is a matter of open record. Some donor name information may be held confidential if requested by the donor. Information will be available upon request within a reasonable time.

### **F. Fund Categories**

#### Budgeted Income

The Budgeted Income (Mission/Ministry and Per Capita) is intended to be used for both operating and non-operating expenditures. Except for unusual or emergency situations, this fund should be applied to planned programs for the maintenance, enhancement and development of the mission of Kiskiminetas Presbytery, the Synod of the Trinity, and the General Assembly of the Presbyterian Church (U.S.A.).

### Nonrestricted Reserves

Unrestricted reserves may be gifts, accumulated unexpended annual income, income from property sale and other sources which have not been restricted in use by the donors or by action of the Presbytery Cabinet. Investment income from Nonrestricted Reserves will be reinvested until such time as the funds might be needed. The Bookkeeper with the concurrence of the General Presbyter, may draw upon the earned interest of the Nonrestricted Reserves for authorized expenses or to maintain the minimum balance of the Interest Reserves account. The Interest Reserves account may be a checking with interest, passbook savings account, a money market account, certificates of deposit or a combination of these options.

### Restricted Funds

Restricted funds may be gifts (restricted by the donor), accumulated unexpended annual income and specific items of the annual budget which may be designated, by the Presbytery Cabinet, for unexpended carry-over, and accumulated income from special offerings. Restrictions placed by the Presbytery Cabinet may be removed by the Presbytery Cabinet.

## **G. Borrowing**

Borrowing from Presbytery funds is discouraged because it disrupts long-term investment strategies and should be undertaken only in extreme circumstances. In the event of an emergency that threatens the continuing ministry of the Presbytery, funds may be borrowed and interest paid on the borrowed funds at 2 percent less than the national commercial rate (prime). A two-thirds favorable vote by the full Presbytery is required to authorize borrowing from the Presbytery's reserves.

## **H. GIFT ACCEPTANCE**

### **1. Philosophy**

The Presbytery of Kiskiminetas views the intent, faith and love behind each gift to be a very important and true blessing for all involved. The intended gifts will be prayerfully considered for acceptance as to their nature in view of the mission and ministry of the Presbytery. The Presbytery greatly appreciates all thoughts of giving, and we encourage each potential giver to consider providing their gifts free from specific restriction.

### **2. Non-Cash and Restricted Gifts**

Non-cash and restricted gifts shall be processed through the ~~Administration Committee~~ *PAT*. Endorsement for acceptance of some non-cash gifts may be sought from the Presbytery Cabinet.

### **3. Cash Gifts**

Unrestricted cash gifts shall be accepted by the Presbytery. Checks should be made out to The Presbytery of Kiskiminetas and sent to the Presbytery office. A notation shall be made by the donor if it is to go to a permanent fund.

### **4. Power to Decline**

The ~~Administration Committee~~ *PAT* shall recommend to the Presbytery Cabinet that a gift be declined if it is determined to be inappropriate to the Presbytery and its mission, or if the “restrictions” placed by the donor are deemed inappropriate. Examples of this may include: gift of property with oil tanks buried beneath; property with back taxes due.

### **5. Non-Cash Gift Liquidation**

Ordinarily, all non-cash gifts received by the ~~Administration Committee~~ *PAT* will be converted to cash as soon as possible and invested in a chosen investment vehicle *unless it is determined that continued investment is most beneficial.*

### **6. Gifts of Real Estate**

In most cases gifts of real estate will be gratefully accepted. Before acceptance, gifts of real estate must be deemed to have a positive impact upon the mission and ministry of the Presbytery. In most cases real estate will be sold as soon as possible and the proceeds placed in the Presbytery funds. All real estate will be subjected to a phase I environmental assessment which may be at the cost of the donor (costs can range from \$500 to \$1500).

### **7. Gifts of Stock**

Donors of the stock will be credited the value of the stock for tax purposes on the date that the stock was received. The stock will be valued at the average between the high and low on the date the stock was received. In the case of mutual funds, the value will be set at the value established at the close of the trading day.

### **8. Gift Use Restriction**

Even though we encourage donors to place no restrictions upon their gifts, a restricted gift may be accepted if the restrictions coincide with the mission and ministry of the Presbytery. If a permanent gift, the restriction will be honored in perpetuity as long as it continues to meet the mission and ministry of the church. If it no longer does so and if the pertinent release form is signed then the use of the funds will be directed toward a use similar to the original intention.

## **9. Gift Acknowledgment**

All offered gifts shall be acknowledged in writing within 30 days of the offer.

## **10. Donor Confidentiality**

Anonymity will be honored upon request. All consenting donors will have their names published in the annual report.

## **11. IRS Requirements & Forms**

Current IRS code appropriate forms will be provided to donors by the ~~Administration Committee~~ PAT by the IRS-SPECIFIED date.

## **I. FUNDS MANAGEMENT**

1. The majority of reserve funds, restricted and unrestricted, will be invested ~~through the Presbytery Foundation~~ *in bonds and socially responsible stocks* to achieve a balance of growth, ~~and~~ *income and risk*. *A proposed change in investments affecting more than 10% of such reserves requires the approval of PAT and Cabinet. The finance committee of the PAT will review performance of investments and make recommendations to PAT and Cabinet.*

2. The Presbytery Cabinet, upon recommendation of the ~~Administration Committee~~ PAT, may authorize investment of reserves in “mission causes,” (such as Presbyterian Investment and Loan Program, OikoCredit, etc) in a cumulative amount not to exceed twenty percent of the total reserves of the Presbytery.

3. The Bookkeeper, with the concurrence of the General Presbyter, may draw upon the earned interest of the Nonrestricted Reserves for authorized expenses or to maintain the minimum balance of the Interest Reserves account.

4. The financial report provided by the Treasurer for the Annual Corporation Meeting of the Presbytery shall include all reserve funds.