

| Investment Policy | | | |
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| Source: Standing Committee on Finance | Authority: Standing Committee on Finance | Original Approval Date: Dec. 2003 Last Review Date: May 2005 | Next Review Date: May 2014 |
| Purpose of Policy: To establish guidelines for the investment of funds held by Eastminster United Church (EUC). | | | |
| Theological Rationale: As stewards of the resources entrusted to our care, we are obliged to manage and use money in accordance with procedures which reflect high standards of ethical behaviour and fiscal accountability. As members of a church and its organizations, we owe to those who manage and use money and other resources clear guidelines by which they may know what is required of them and demonstrate their trustworthiness. | | | |

1.0 Scope of Policy:

- 1.1 Funds covered by this policy include operating funds and capital/trust funds. At the present time (2006) operating funds include 'General' and 'Improvements, Maintenance and Projects' (IMP) Funds. Capital/trust funds consist primarily of monies held in the Legacy of Faith Fund. Designated memorial funds are held from time to time and are subject to the same investment guidelines as capital/trust funds.

2.0 General Guidelines:

- 2.1 All EUC committees and organizations are encouraged to follow this policy.
- 2.2 All funds of EUC are to be invested and administered in accordance with current provincial and federal laws.

3.0 Operating Funds:

- 3.1 Operating funds include all monies received for the ongoing operations of EUC and encompass the General and IMP Funds.
- 3.2 The Church's Administrator, in conjunction with the Standing Committee on Finance, administers these funds.
- 3.3 In accordance with Canada Customs and Revenue Agency disbursement quota rules, 80% of monies received for the operating budget must be expended in the calendar year received. Consequently short-term, liquid investment vehicles shall be chosen for these funds, where appropriate.

4.0 Capital/Trust Funds:

- 4.1 Capital/trust funds are funds held for the long-term financial security of EUC and are administered by the Board of Trustees.

4.2 These funds shall be invested in financial vehicles that are supportive of EUC's mission statement and are consistent with the United Church of Canada (UCC) investment criteria. At the present time, UCC investment policies are not inclusive of companies whose products or services have negative or doubtful social value or show disregard for the human environment and the social system. It is recognized that this may affect the rate of return.

5.0 Investment Objectives for Capital/Trust Funds:

5.1 There are four primary investment objectives. They are:

- i) The preservation of capital.
- ii) To realize an optimum rate of return (subject to limitations imposed).
- iii) To maintain a degree of liquidity so as to achieve a regular cash flow.
- iv) To have an asset mix that reflects *safety* rather than *return*.

6.0 Performance Objectives for Capital/Trust Funds:

6.1 To maintain the capital value of invested funds.

6.2 To provide a rate of return from all investments that at least matches the rate of inflation plus 1% per annum after all management fees have been calculated.

7.0 Asset Mix for Capital/Trust Funds:

7.1 As liquidity is an issue, only short-term (less than twelve months) and medium-term (one to five years) investments will be held. An emphasis on medium-term investments is preferred.

7.2 A maximum of 50% of investments may be in equity stocks.

7.3 Funds may be invested in Government and corporate bonds, common stocks (subject to limitations above), mutual funds and guaranteed investment certificates.

8.0 Review and Audit of Capital/Trust Funds:

8.1 The Board of Trustees shall provide an annual review of these funds to the Church Council.

8.2 The Standing Committee on Finance shall review performance annually and provide a report to the congregation.

8.3 The Board of Trustees, in conjunction with the Standing Committee on Finance, shall arrange for an annual audit of the funds and provide a report to the congregation prior to the end of the second quarter.

9.0 Approval:

9.1 Approval of this policy shall rest with the congregation of EUC. It will be the responsibility of the Standing Committee on Finance, through the Church Council, to complete an annual review of this policy and recommend changes to the congregation.

10.0 Dissolution:

10.1 In the event of the dissolution of the EUC congregation, funds shall be disposed of in accordance with UCC guidelines.