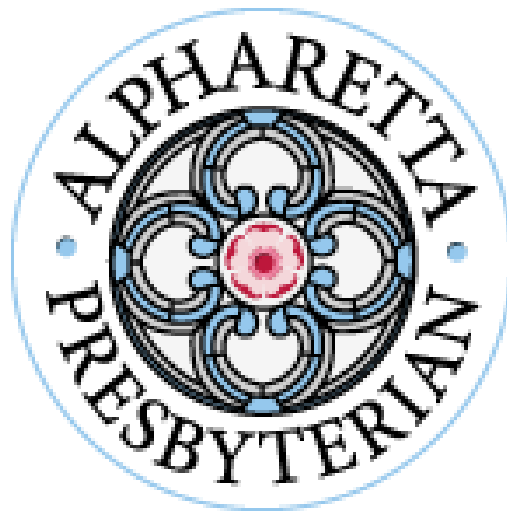


Alpharetta Presbyterian Church  
Endowment Committee  
Endowment Policy  
As approved by Session  
July 23, 2015



Alpharetta Presbyterian Church  
Endowment Policy  
Table of Contents

|              |   |
|--------------|---|
| Section I    | Endowment Policy                            |
| Section II   | Responsibilities of the Vested Stakeholders |
| Section III  | Investment Policy Statement                 |
| Section IV   | Spending Policy Statement                   |
| Section V    | Asset Manager Performance                   |
| Section VI   | Conflict of Interest                        |
| Section VII  | Self-management of Endowment Funds          |
| Section VIII | Investment Policy Review                    |

# Alpharetta Presbyterian Church

## Endowment Committee

### Endowment Policy

#### **Section I: Endowment Policy of Alpharetta Presbyterian Church**

##### **Mission Statement: Alpharetta Presbyterian Church**

*We are called by God to be a Christ-centered family of believers, committed to growing spiritually, worshipping joyfully, and sharing God's love daily.*

##### **Stewardship Statement: Alpharetta Presbyterian Church**

We believe that stewardship involves the faithful management of all the gifts with which God has graced us: time, talent, the created world, and financial resources. As faithful stewards we support the church and its mission with gifts, pledges and special offerings, even as we commit portions of our time and energy. We also understand that faithful stewardship includes giving to the work of the church through bequests in wills, charitable trusts, gift annuities, life insurance and the transfer of property, cash, stocks and bonds, real estate, etc. It is the desire of our congregation to encourage, receive, and administer these gifts in a manner consistent with the teachings our Savior, with the stated wishes of the donors and in accordance with Alpharetta Presbyterian Church ("APC" or "Church") organizational documents and adopted Policies.

##### **Endowment Policy Purpose**

The purpose of this policy is to provide a regular and consistent set of procedures for the receipt, management and disposition of endowed money and property, whose purpose is to provide resources to further the mission of the church now and in the future. As used in this policy, endowed funds and endowment funds are funds of which the principal is intended to be preserved indefinitely, unless specified by Session or by donor (with prior Session approval):

##### **Types of Endowed Funds**

Endowed Funds will be accepted into following four categories:

1) Worship

Income earned on funds in this category will cover items related to the sanctuary, music, preaching, and worship services.

2) Mission

Income earned on funds in this category will support APC's commitment to mission—evangelism, education, relief, development, etc.--in the community, Georgia, nationally, and internationally.

3) Property

Income earned on funds in this category will be used to maintain the buildings and facilities of APC and enhance the grounds of the church for generations to come. Income from such funds will be used on and for existing property or property that may be purchased in the future.

4) Spiritual Growth

Income earned on funds in this category would support Christian education for children, youth, and adults; as well as provide for fellowship opportunities and other related church ministries.

Potential gifts that are more restrictive than these categories must be approved by the Session.

### **Gift Acceptance**

The Session of APC shall have the authority and responsibility to accept or reject all gifts to the church. The Session may delegate this responsibility to an APC standing committee should it deem appropriate. All gifts will be carefully reviewed. Those that may be deemed to be too unwieldy to properly manage or are deemed to be inconsistent with the mission of APC may be declined. Properties and investable assets transferred to APC will generally be sold promptly and the proceeds invested according to the adopted policies.

Provided a donation fits within the guidelines of APC Endowment Policy and the donors' wishes, APC will accept any dollar amount from a donor, into the endowment.

In certain instances whereby an endowment gift is too cumbersome for APC or its committees to manage (i.e. charitable trusts, gift annuities, certain real estate, etc.), APC and its committees may request assistance in due diligence and/or stewarding from an intermediary third party (e.g. Presbyterian Foundation or similar organization).

### **Endowment Fund Policy Management**

The Session shall appoint a standing Endowment Committee, which would have the overall responsibility for most matters concerning Endowed Funds. This committee shall comprise at least one member from Finance Committee, one member from the Commitment Committee, and three at-large members. At-large members shall be appointed by Session for three-year terms. The Committee shall select its Chairperson. The Committee shall report to and through the Finance Committee. The Treasurer and senior Pastor (or his/her designee) shall be *ex-officio* members without vote.

### **Compliance**

Notwithstanding the powers vested in the Endowment Committee, it shall, under no circumstances, commit any act which would violate the governance documents of Alpharetta Presbyterian Church or jeopardize its status as a lawfully designated federal tax exempt organization.

# Alpharetta Presbyterian Church

## Endowment Policy

### Responsibilities of the Vested Stakeholders

#### **Section II: Responsibilities of the Vested Stakeholders**

With respect to a Church's endowment, there are various parties that have a vested interest in the endowment. This section of our document attempts to describe the various responsibilities of those parties:

- 1) The Session of Alpharetta Presbyterian Church ("APC")
- 2) The Finance Committee of APC
- 3) The Commitment Committee of APC
- 4) The Endowment Committee of APC
- 5) Asset Manager
- 6) Investment Consultant

#### **Responsibilities of the Session**

The church Session is charged with maintaining the spiritual welfare and governance of the church.

#### **Responsibilities of the Finance Committee**

The purpose of the church Finance Committee is to assume total responsibility for the finances of the congregation. This shall include developing and monitoring a church budget/financial recording and reporting, disbursement, investment planning, and auditing of records.

At least annually, the Finance Committee shall identify what endowment fund income will be available in the following year and with assistance from other APC committees (i.e. Mission, Worship, Property, etc.) recommend to the Session whether any amounts should be applied for such designated purposes. Finance Committee shall recommend to Session a process in which these funds will then be allocated.

The Finance Committee shall arrange for an audit, review, or compilation on odd numbered calendar years of all endowment accounts of the church and submit a written report to the Clerk of Session by June 30 of the following year for consideration at a Session meeting.

#### **Responsibilities of the Commitment Committee**

It is the responsibility of the Commitment Committee to promote the existence, benefits, and purposes of the endowment funds.

The Commitment Committee, in consultation with the Finance Committee, shall develop approaches to planned giving and provide appropriate communication to members of the congregation. Programs to promote planned giving should be conducted routinely to aid in this communication.

#### **Responsibilities of the Endowment Committee**

The duties of the Endowment Committee shall include but not be limited to: monitor and make recommendations for changes to the Endowment Policy; develop and maintain an Investment Policy; develop and maintain a Spending Policy; invest endowed funds in manners consistent with the Session-approved Investment Policy; select investment advisors as appropriate; and present periodic reports on the status of endowed funds. Such reports may be prepared as often as needed but not less than semi-annually.

The following are responsibilities of the Endowment Committee:

1. Establish reasonable and consistent investment objectives, policies, asset allocation, and guidelines.
2. Select qualified investment professionals, including Asset Managers, Investment Consultants, and Custodians.
3. Determine the Church's investment objectives, risk tolerance and time horizon and communicate these to the Asset Manager(s) and Investment Consultant.
4. Evaluate portfolio performance to assure that the Asset Manager(s) adhere to the Church's policy guidelines and monitor investment objectives.
5. Develop and enact proper control procedures to include the engagement, termination and replacement of investment professionals.
6. Communicate with the Finance Committee and Session as to the results of investment performance on a quarterly basis.
7. Recommend to the Finance Committee and Session proposed changes and revisions to this Endowment Policy and Investment Policy Statement from time to time.
8. Work with APC's pastor in creation of a "Legacy Society," to recognize those individuals and their contribution to the endowment; assist in an annual recognition of those individuals.

#### **Responsibilities of the Asset Manager(s)**

Under guidance of the Endowment Committee, Asset Managers will have discretion to make all investment decisions within the limitations set forth in this Investment Policy Statement. Specific responsibilities of the Asset Manager(s) include:

1. Perform discretionary investment management including decisions to buy, sell, or hold various securities.
2. Provide the Church and its Investment Consultant, if any, with copies of all available statements, documents, and reports in a timely manner after the close of each period (i.e. ten business days after month end for traditional investments and 45-60 days for alternative investments).
3. Communicate any major changes to economic outlook, investment strategy, or any other factors, which would affect expected performance or process to the Investment Consultant and the Endowment Committee.
4. When appropriate, vote proxies for the benefits of the Church's investments and keep all records that will be governed by the Asset Manager's client agreement.
5. Comply with applicable law, report any discrepancies, and promptly notify the Investment Consultant and the Endowment Committee of any legal action, regulatory inquiries or investigations taken against the Asset Manager(s), any arbitration involving the Asset Manager(s), or any judgments against the Asset Manager(s) or any of its employees.
6. Implement this Investment Policy Statement to achieve the investment objectives.
7. Notify the Investment Consultant and the Endowment Committee should circumstances occur which the Asset Manager believes would require a modification of this Investment Policy Statement in order to achieve the stated objectives.
8. Notify the Investment Consultant and the Endowment Committee of any material change in the investment management personnel or ownership of the Asset Manager, within 45 days of occurrence.

#### **Responsibilities of the Investment Consultant**

If it so chooses, the Endowment Committee may employ the services of an Investment Consultant. The Investment Consultant's role is to provide information and advice to the Endowment Committee concerning investment management of the investment assets. Such advice will be consistent with the investment objectives, policies, guidelines, and constraints as established in this Investment Policy Statement. Specific responsibilities of the Investment Consultant include:

1. Assist in the development and periodic review of the Investment Policy Statement.
2. Provide the Endowment Committee with information regarding overall market conditions.

3. Conduct Asset Manager searches where appropriate and make recommendations as required.
4. Monitor the Asset Manager(s) through appropriate benchmark comparisons and provide the Endowment Committee with quarterly reports on the Church's relative performance.
5. Communicate matters of policy and Asset Manager performance to the Endowment Committee and make recommendations where appropriate.
6. Make recommendations as to the modification of the Church's investment policies, goals, or guidelines.
7. Review the Church's investment history and the contents of this Investment Policy Statement with any newly appointed members of the Endowment Committee.
8. Maintain timely communications with the Endowment Committee relative to material changes in ownership, organization, and key personnel within the Investment Consultant's organization. (Subject to notification from the Investment Consultant within 45 days of occurrence).

# Alpharetta Presbyterian Church

## Endowment Policy

### Spending Policy Statement

#### **Section IV: Spending Policy Statement**

Earnings from APC's endowment investment portfolio will provide for the funding of church projects and programs. Funds available for such uses shall be calculated on a calendar year basis based on 4% times the average of the previous 12 quarter-ending balances by fund as of September 30.

With its spending policy, APC's endowment will employ a total return spending formula (e.g. as may be compliant with the Uniform Prudent Management of Institutional Funds Act 2006).

#### ***Note regarding endowed funds in the PROPERTY category (see Section I)***

Session may determine that a portion of funds set up in the endowment under the PROPERTY CATEGORY (see Section I) may be used for necessary and critical capital improvements without regard to this spending policy. Such determination shall require a 2/3 supermajority vote of Session.



# Alpharetta Presbyterian Church

## Endowment Policy

### Investment Policy Statement

#### **Section IV: Investment Policy Statement**

The purpose of this Investment Policy Statement is to establish a clear understanding between the Alpharetta Presbyterian Church (hereafter referred to as “Church”) and the Asset Manager(s) engaged to invest assets of the Church under conditions set forth herein.

This Investment Policy Statement will outline for all stakeholders an overall philosophy that establishes specific expectations, but allows sufficient flexibility for changing economic and securities market conditions.

The Church’s Investment Policy Statement is intended to provide guidelines—where necessary—for ensuring that the portfolio’s investments are managed consistently with the short-term and long-term financial goals of the Church. At the same time, the Policy must provide sufficient investment flexibility in the face of changing capital market conditions and in the financial circumstances of the Church.

This Investment Policy Statement will provide guidance and limitations for the Asset Manager(s), outline procedures for policy and performance review, and establish formal criteria to select, monitor, evaluate and compare the performance results achieved by each investment option and each Asset Manager on a regular basis.

#### **Investment Objectives**

The overall investment objective of the Church is to preserve and protect fund principal while achieving a long-term net rate of return sufficient to cover a 4% spending policy plus inflation, as measured by the CPI index, over a complete market and economic cycle. Achieving these objectives will require assuming a moderate level of risk, a long-term investment horizon and asset diversification.

Under this policy the Church administers two types of funds: 1) Endowed Funds and 2) Non-endowed Gift Funds. Endowed Funds are those in which a percentage is distributed each year but whose corpus is intended to remain intact in perpetuity with normal fluctuation due to market cycles. Non-endowed Gift Funds are those that are to be distributed with little or no principal remaining.

The primary objectives of the investments of each of these types of funds will be:

1. **Endowed Funds: Growth & Income Model** – The investment objective for Endowed Funds is to provide long-term growth of principal and income, without undue exposure to risk. These funds may experience greater return and volatility relative to Non-endowed Gift Funds.
2. **Non-Endowed Gift Funds: Liquidity & Stability Model** – The investment objective for Non-endowed Gift Funds is to provide for the preservation and stability of principal through investment in high quality, liquid investments (cash/cash equivalents).

The Session and/or its designated Committee(s) will consider investment of Endowed Funds in a manner other than the Growth & Income Model and investment of Non-endowed Gift Funds in a manner other than the Liquidity & Stability Mode on a fund-by-fund basis after review of the charitable objectives of each fund. The Endowment Committee/Finance Committee, upon approval of an Alternative Investments option, will have the investments adjusted and monitored to meet the objectives of that specific fund.

Management of the designated Church assets shall be monitored through the Asset Allocation Guidelines provided in the table on the following page. Each Asset Manager may have their direct allocation attached through addenda.

Please find below Asset Allocation Guidelines for Endowed Funds:

| Asset Class            | Strategy                | Target     | Range            | Benchmark   |  |
|------------------------|-------------------------|------------|------------------|---|--|
| Equities               | Large Cap Growth        | 17.5%      | 12% – 30%        | - Growth: <u>Russell 1000</u>   | <ul style="list-style-type: none"> <li>- Common Stock</li> <li>- Convertible Notes and Bonds</li> <li>- Convertible Preferred Stock</li> <li>- Mutual funds that invest in the above</li> <li>- Exchange Traded Funds (ETFs) that invest in the above</li> </ul> |
|                        | Large Cap Value         | 17.5%      | 12% – 30%        | - Value: <u>Russell 1000 Value</u>  |  |
|                        | Mid Cap                 | 15%        | 5% – 20%         | - Core Blend: <u>Russell Mid Cap</u>  |  |
|                        | Small Cap               | 5%         | 0% – 15%         | - Core Blend: <u>Russell 2000</u><br>- Russell 2000 Growth<br>- Russell 2000 Value              |  |
|                        | International           | 10%        | 5% – 20%         | - All Cap: <u>MSCI EAFE</u><br>- Emerging Mkts: MSCI Emrg Mkts                                  | - American Depository Receipts (ADRs) of non-US Companies  |
|                        | <b>Total Equities</b>   | <b>65%</b> | <b>55% – 80%</b> |   |  |
| Fixed Income           | Global Fixed            | 5%         | 0% – 20%         | - Citigroup WGBI WORLD  | <ul style="list-style-type: none"> <li>- Sovereign debt of developed and emerging countries</li> <li>- Foreign fixed income securities allowed under Domestic Fixed</li> </ul>   |
|                        | Domestic Fixed          | 20%        | 15% – 40%        | - Intermediate: <u>Barclays Capital Intermediate Government Credit</u>                          | <ul style="list-style-type: none"> <li>- US Government and Agencies</li> <li>- Corporate Notes and Bonds</li> <li>- Mortgage-backed Bonds</li> <li>- Preferred Stock</li> </ul>  |
|                        |                         |            | <b>20%-40%</b>   |   |  |
| Alternative Strategies | Alternative Investments | 2.5%       | 0% – 20%         | - Hedge Funds: S&P 500<br>Managed Futures: MAR Index, MSCI AC World ,<br>Barclays Fixed indexes | <ul style="list-style-type: none"> <li>- Private Equity Funds</li> <li>- Hedge Funds</li> <li>- Venture Capital Funds</li> <li>- Managed Futures Funds</li> </ul>  |

|                    |                           |           |                 |   |  |
|--------------------|---------------------------|-----------|-----------------|---|--|
|                    | Real Assets               | 2.5%      | 0% - 20%        | - REITs, NAREIT<br>Dow and/or Goldman<br>Sachs<br>Commodity Index | - Commodities / Hard Assets<br>- REITs   |
|                    | <b>Total Alternatives</b> | <b>5%</b> | <b>0% - 20%</b> |   |  |
| Cash & Equivalents |                           | 5%        | 0% – 20%        | - <b>Citigroup 90-day T-Bills</b>                                 | - US Treasury Bills and Notes<br>- Money Market Funds &<br>Certificates of Deposit<br>- Commercial Paper (A-1 S&P<br>and/or P-1 Moody's)<br>- Banker's Acceptances (A, A/B or<br>B-rated banks)<br>- Repurchase Agreements |
|                    |                           |           |                 |   |  |

#### NOTES TO THE ASSET ALLOCATION GUIDELINES TABLE

1. Bolded Indices in Asset Allocation Guidelines Table are employed to determine an overall weighted portfolio benchmark for Asset Manager review purposes. If there are no investments in a particular asset style, its target percentage will be applied to another style's benchmark in calculating the overall benchmark. The Endowment Committee may also employ secondary level benchmarks comprised of 65% S&P 500 Index, 30% BCIGC Index and 5% Citigroup 3-month T-Bills or a make-up of ETF's, which will determine the benchmark index return net of management fees inside the ETF's for additional reporting purposes.
2. The Endowment Committee, with Finance Committee approval, may engage Asset Managers whose disciplines require investments outside the established Asset Allocation Guidelines. However, taken as a component of the aggregate fund, such disciplines must fit within the overall Asset Allocation Guidelines established in this Investment Policy Statement. If the Endowment or Finance Committees wish to consider assets not approved in this Investment Policy Statement, they may do so only with the approval of the Session.
3. In the event that the above aggregate Asset Allocation Guidelines are violated, for reasons including but not limited to market price fluctuations, the Finance Committee will work toward bringing the aggregate portfolio(s) into compliance with these Asset Allocation Guidelines (rebalance) by the end of the first quarter following the fiscal year-end.
4. Alternative investments may only be purchased/managed by Specialty Asset Managers approved by the Finance Committee.

#### General Commentary on Investment Policy

1. Once the Endowment Committee determines that the amount of investable assets are such that the use of Advisors are cost effective then the assets of the Church will be invested by one or more Asset Managers. A qualifying Asset Manager must be a Bank, Trust Company, Insurance Company, Presbyterian Foundation, or Registered Investment Advisor, or other entity approved by the Session.
2. The standard is that each Asset Manager shall manage assets with the care, skill, prudence and diligence that a "prudent person" acting in a like capacity and familiar with such matters would use in the investment of a fund of

like character with similar aims according to the "prudent man" rule as defined in the Employee Retirement Income Security Act of 1974 (ERISA).

3. The selection of an Asset Manager shall be based on prudent due diligence procedures.
4. The Endowment Committee, with appropriate approval, may engage one or more Asset Managers of varying styles and philosophies to attain the Church’s long-term performance objectives and may engage Investment Consultant(s) to provide oversight, advisory and reporting functions. Asset Managers may be hired to manage an asset class specialty i.e. large cap value, large cap growth, international, fixed income, etc. (each a “Specialty Asset Manager”). Investment parameters for Specialty Asset Managers must be specified in an addendum to this Investment Policy Statement.
5. Risk measurement will be obtained for each Asset Manager by observing the long-term statistics of BETA and STANDARD DEVIATION, which will measure volatility versus the Asset Manager’s appropriate index. These measurements, over each of a rolling three and five year period, are expected to indicate value added by each Asset Manager.

**Portfolio Guidelines and Restrictions**

Asset Managers (with the exception of Asset Managers of Alternative Investments, Global Fixed Income and High Yield Fixed Income) must adhere to the following Portfolio Guidelines and Restrictions. The *Prohibited Assets* and *Prohibited Transactions* identified below apply to all other asset classes, investment styles, and the activities of the Asset Managers of such assets, unless otherwise approved by the Finance Committee:

| <b>Prohibited Assets</b>  | <b>Prohibited Transactions</b>   |
|---|--|
| Including, but not limited to:<br>Commodities and Futures Contracts<br>Private Placements<br>Purchasing Options<br>Limited Partnerships<br>Derivatives<br>Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs<br>Individual Mortgages<br>Lettered stock or other non-marketable securities<br>Unregistered Stock | Including, but not limited to:<br>Short Selling<br>Margin Transactions<br>Currency Hedging |

**Guidelines for Equity Investments**

For prudent portfolio diversification (with the exception of funds invested in Mutual Funds), Equity Investments should adhere to the following Guidelines for Equity Investments, unless otherwise approved by the Finance Committee:

Individual equity purchases cannot exceed 5% at cost and 10% of market of the Asset Manager’s equity portfolio value. The market value of an investment in any one industry sector should not exceed 2 times the benchmark’s sector weighting. For benchmark sectors less than 15%, the Asset Manager may exceed a double weighting up to a maximum of 30%.

### **Guidelines for Fixed Income Investments**

Fixed income securities will be managed with the purpose of lowering volatility and producing current income. Fixed Income Investments (with the exception of funds invested in Mutual Funds and Global Fixed Income) should adhere to the following Guidelines for Fixed Income Investments:

1. No issues may be purchased with more than 30 years to maturity.
2. Investments in securities of a single issuer (with the exception of the US Government and its agencies) must not exceed 5% of market value of such issuer.
3. Only corporate or governmental debt issues that meet or exceed a credit rating of BBB from Standard & Poor's and/or a BAA rating from Moody's may be purchased (must be investment grade quality).

### **Guidelines for Exchange Traded Fund**

Investment in Exchange Traded Funds (ETFs) should be limited to those that are generally designed to replicate the price and yield performance of a broad market (i.e. S&P 500) or should be used in conjunction with other investments in order to achieve the target asset allocation strategy outlined in the Asset Allocation Guidelines.

### **Guidelines for Alternative Investments**

In recognition of the increasing opportunity in today's investment universe, the Endowment Committee may consider Alternative Strategy vehicles, if deemed prudent. Each Alternative Strategy vehicle must be individually approved by the Endowment Committee. Considerations include correlation to other portfolio assets, longer-term performance, and audit and financial reporting factors. Decreasing correlation among asset styles typically lowers overall portfolio volatility while maintaining long-term performance. Investment in Alternative Strategies is limited to no more than 20% of the value of the total assets of the portfolio at the time of initial investment.

# Alpharetta Presbyterian Church

## Endowment Policy

### Asset Manager Performance Review & Evaluation

#### **Section V: Asset Manager Performance Review and Evaluation**

Asset Manager performance will be compiled quarterly by the Investment Consultant and communicated to the Finance Committee for review. The investment performance of total portfolio, as well as asset class components, is to be measured against commonly accepted performance benchmarks (refer to the Asset Allocation Guidelines Table for benchmark comparisons). The Finance Committee will evaluate the portfolio(s) over complete market cycles (at least three-year rolling periods), but reserves the right to terminate an Asset Manager for any reason at any time, including but not limited to the following:

Investment performance that is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.

Failure to adhere to any aspect of this Investment Policy Statement that is applicable to the Asset Manager.

Changes to the personnel, ownership, reputation, standards, financial strength or stability of the Asset Manager which the Endowment Committee deems to be or could become a concern to the Finance Committee and/or Session.

The Asset Manager and/or the Investment Consultant is required to give the Finance Committee quarterly account reviews detailing investment performance against predetermined benchmarks (time-weighted and dollar weighted), market outlook, account value, and comparisons with established benchmarks. In addition, the Asset Manager shall communicate any changes in the Asset Manager's investment philosophy, management, ownership, and key personnel, within 45 days from the change, to the Finance Committee and Investment Consultant.

Meetings may be held on an as-needed basis between the Finance Committee, the Asset Manager, and/or the Investment Consultant. Topics to be discussed may include:

The Asset Manager's relative investment performance and risk levels in light of the stated policies and objectives.

The Asset Manager's views on important developments in the economy and the securities markets, and their potential effect on investment strategy, asset allocation, and account performance.

Any contemplated changes in the Asset Manager's organization on investment philosophy, strategy, and performance.

Proposed amendments to the policies and objectives presented in this Investment Policy Statement.

The Endowment Committee and/or the Investment Consultant may choose to meet more frequently with the Asset Manager if concerns arise about the Asset Manager's performance, strategy, personnel, or organizational structure.

Alpharetta Presbyterian Church  
Endowment Policy  
Other

**Section VI: Conflict of Interest**

Those responsible for management of endowment funds or for direction of disbursements from those funds must assure that there is no possibility of a conflict of interest, such that those parties might receive direct or indirect benefit from investment vehicles, commissions, and the fashion in which funds are spent.

**Section VII: Self-Management of Endowment Funds**

In the event total endowed funds are \$500,000 (Five hundred thousand dollars) or less and with Session's approval and Finance Committee recommendation, the Endowment Committee—following the approved guidelines--may be allowed to self-manage the endowment funds versus formally turning management of the funds to an Asset Manager.

The Endowment Committee members shall not be liable for any losses which may be incurred upon the investments of the assets of the endowment funds except to the extent such losses shall have been caused by bad faith and/or gross negligence. No member shall be personally liable unless he/she acts in bad faith and/or with gross negligence. Each member shall be liable for only his/her own willful misconduct or omissions, and shall not be liable for the acts/omissions of any other member.

**Section VIII: Investment Policy Review**

To assure continued relevance of the guidelines, objectives, financial status, and capital markets' expectations as established in this Investment Policy Statement, the Endowment Committee shall review this Investment Policy Statement at least annually. Report of the review should be made available to both the Finance Committee and Session. Such review shall be provided to the Finance Committee and Session.