

INVESTMENT MINISTRY TEAM

PURPOSE: This ministry team is to select investments and depositories for church funds, other than those in checking accounts, petty cash and certain other short duration accounts, and to manage placement of money into various entities and to decide from which to withdraw money when funds for expenditure are needed by the church. The ministry team is to regularly review investment results of UPC funds and performance of investments in the general economy to be in position to make studied decisions regarding investments which are best for the church.

AUTHORITY OF THE MINISTRY TEAM: Upon approval by vote of the ministry team, the ministry team is authorized to buy, sell, assign and transfer title to any and all kinds of stocks, bonds, mutual funds or other securities or investments held in the name of UPC.

Persons are designated by the ministry team as authorized to sign or place orders on behalf of the church in such transactions. Such authorization is granted to include the UPC Treasurer, Assistant Treasurer, Chair of the Investment Ministry Team, as well as others who may be designated for this purpose by the Investment Ministry Team.

While this ministry team has authority to select and allocate investments of UPC funds and to buy and sell investments for the church without direction from any other ministry team, this team does not have responsibility for preparing the church budget or for making any determination of how church funds are to be used or spent. Those activities fall within the purview of the Resources and Planning Ministry Team.

MEMBERSHIP: The Investment Ministry Team will have seven voting members. Four will be from the congregation at large, one will be a member of the Resources and Planning Ministry Team, one will be the Treasurer of the church and one will be the chair. The chair and all members except the Treasurer will be appointed by the Session.

1. **TERM OF OFFICE:** Each member will serve a one year term, beginning May 1 of each year. Because qualifications are specialized, it is expected that members will often serve several continuing one year terms, if members agree to do so and with consent of the chairperson and the Session to serve.
2. **OFFICERS:** There shall be a Chair and a Secretary of the Ministry Team. The Chairperson will be appointed by the session. The Secretary will be chosen from among members of the Ministry Team by vote of the team.
3. Certain long time members who are emeritus for this ministry team can be asked to serve as non-voting advisors.
4. **QUALIFICATIONS:** Ideally, members shall have professional experience in investments and finance. Church members with extensive personal

experience in investments and finance are also considered as qualified to serve on this ministry team.

5. **QUORUM:** All actions and decisions of the ministry team must be approved by a quorum of four members . The ministry team may meet in person or by telephone conference call or other electronic communication system providing for participants in the meeting to communicate with all other members. In addition to actions and approvals by voting at meetings held in person or by telephone conference call or other permitted electronic communication system, the team may act or approve actions and decisions by written or electronic consents of a majority of the ministry team. No meeting, notice or voting procedure is for actions or approvals prior to consent.
6. **REPORTS:** Records of all meetings shall be prepared and maintained as a permanent history of the ministry team. A report covering the status of investments shall be prepared semi-annually, and made to the Session and to the Resources and Planning Ministry Team. The Investment Ministry Team shall work closely with Resources and Planning and with the Financial Manager and shall provide information and full reports as needed and in the format and scope desired.
7. **INVESTMENT OBJECTIVES:** The duration and purpose of particular accounts and endowments provide guidance as to the type and duration of investment and/or savings vehicles selected by the ministry team. In all cases, minimum risk and conservation of principal, as well as diversity are primary. If funds will be needed within a short period of time, the money is to be placed in money market accounts, certificates of deposit or bonds with a duration of five years or less, or in some instances in checking accounts. If money in some endowments or accounts will not be used for several years , the ministry team will typically invest those funds in equity mutual funds or individual stocks or longer duration bonds or bond mutual funds or other securities which are appropriate for the circumstances. In choosing stock mutual funds, domestic funds are to be the majority holdings. Some foreign mutual funds may also be utilized. Mutual funds chosen are to feature mostly large cap stocks, with some attention to mid caps. Ordinarily small cap mutual funds are not to be included in the holdings. Depending on a particular account's duration cycle and need for cash, some holdings can be in income and/or balanced mutual funds.
8. **INVESTMENT FEES AND EXPENSES:** The Investment Ministry Team will ay particular attention to keep fees and expenses to a minimum. The team will seek to utilize no-load mutual funds when making investments in mutual funds, but such is not required. Minimizing ongoing fees and costs to sell investments are also to be taken into consideration when making when making portfolio decisions.

9. **WITHDRAWING MONEY BY SELLING SECURITIES:** The Investment Ministry Team will work closely with the Financial Manager of UPC , the Resources and Planning Ministry Team and the Treasurer In selling investments to provide cash for church needs. Typically the Financial Manager, the Resources and Planning Chairperson or the Treasurer will contact the Chairperson of the Investment Ministry Team to notify that a certain amount of cash is needed for a stated purpose and by a stipulated time. The Chairperson of the investment Ministry Team is to convene a meeting of the ministry team for the selection of which investments or savings are to used and to make arrangements to carry out the transaction.
10. **LIMIT OF ANNUAL WITHDRAWALS FROM ENDOWMENTS:** The Investment Ministry Team will follow Texas law in making withdrawals from endowment funds of UPC, which laws include statutes that establish ceilings on prudent annual appropriations for expenditures from endowment funds (currently 5% of fair market value for an endowment with an aggregate value under \$1 million and 7% for an endowment for an aggregate value over \$1 million), and will also follow statutory requirements applicable to the determination of such values.
11. **EVALUATING RETURN ON INVESTMENTS:** For purposes of evaluating performance return on investments, the “total return” method of evaluation will be used. That is, dividends and/or interest plus any change in the principal value of each investment will be used in determining the total return for the period of time studied.