



Presbytery of Genesee Valley

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FINANCE, INVESTMENT, AND FUNDING POLICIES

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1 **Introduction and Purpose**

2 The Presbyterian Church (U.S.A.), (“PCUSA”) is a body of Reformed Christians who agree to conduct worship
3 and other religious activities in conformity with the PC(USA) Constitution including the Book of Order, a Form of
4 Government which describes the formal structure of the Church. As an ecclesiastical organization, PC(USA) does
5 not exist under any federal law. Central to the structure of PC(USA) is the concept of governing bodies. The
6 General Assembly is the national governing body; the synod is the next regional governing body, composed of
7 presbyteries; the presbytery is the next regional governing body, composed of congregations and minister
8 members; and the session is the governing body of the congregation. The presbytery is a middle-governing
9 body of the Presbyterian Church (USA).
10

11 This policy provides finance, funding, asset management and internal controls. It provides guidance to staff and
12 external agents in procedures and standards for the handling of investment funds.
13

14 In the event of any conflict or inconsistency between these Policies and the Presbyterian *Book of Order* or
15 applicable New York State law, the provisions of the *Book of Order* or state law shall prevail. Specific instances of
16 possible conflict, inconsistencies, or previously enacted policies, procedures or guidelines not expressly
17 addressed in these Policies, should be brought to the attention of the Big Picture Team in writing. The Big Picture
18 Team shall report any such occurrences to Presbytery, together with its recommendation as to any action.
19

20 Ruling Elder and Teaching Elder delegates to Presbytery are encouraged to remind their sessions from time to
21 time of these policies and guidelines and of the principles which lie behind them, so that sessions may better
22 understand the Policies by which Presbytery and its member congregations administer themselves.
23

24 **A. PRESBYTERY FUNDING POLICIES**

25 **The Presbytery Operating Budget**

- 26 1. The Operating Budget is developed by the Budget Development and Oversight Committee with full
27 participation and input from all program and mission units, and subsequently adopted by the
28 Presbytery.
29 2. Congregations shall support the mission of the Presbytery through contributions to Presbytery Per
30 Capita and General Mission.
31 3. Presbytery Per Capita requests to congregations will be based on the most recent membership
32 provided by PC(USA) from church annual reports and is described more fully below.
33 4. Congregations are encouraged to support Presbytery General Mission as an important part of their
34 mission program.
35 5. Although Presbytery urges sessions to observe the foregoing policies, it recognizes full well that
36 each session may allocate its mission funds as it will. [See *Book of Order* Section G-3.0205. “... the
37 session shall prepare and adopt a budget and determine the distribution of the congregation’s
38 benevolences...”].
39

40 **Special Appeals**

- 41 1. The Big Picture Team, upon recommendation by a committee or working group, may approve a
42 Presbytery-wide special appeal for funding on behalf of any of its mission units.
43 2. The soliciting committee or working group will not suffer any reduction of its normal budgeted
44 amount in the Operating Budget during the special appeal period.
45 3. The soliciting committee or working group will develop adequate informational materials which will
46 enhance and deepen the entire Presbytery’s understanding of our mission.
47 4. When the Big Picture Team gives approval to committees or working groups of Presbytery to conduct
48 special mission appeals, it is understood that a church’s giving to such requested funds is over and
49 above the giving church’s established commitment to the Operating Budget.
50 5. The Big Picture Team may, from time to time, give permission for special appeals to support ministries and
51 agencies that are not currently supported by the Operating Budget. This is especially the case in order to respond
52 to new opportunities for mission or to meet special needs or emergencies.
53
54

55 **General Assembly Special Offerings**

56 The Presbytery shall continue to give high priority and encourage churches to respond with generosity to the
57 Special Offerings of the General Assembly, such as the One Great Hour of Sharing, the Peace & Global Witness
58 Offering, Christmas Joy Offering, Pentecost, and other special appeals as they may arise.

59
60 We request that all special offerings be sent directly to General Assembly, except the Peace & Global Witness
61 offering, which shall be sent to Presbytery for distribution.
62

63 **Capital Fund or Building Programs**

- 64 1. The Presbytery encourages congregations which enter into capital fund or building programs to
65 remember the mission of the whole church. To this end, Presbytery invites sessions to consider an
66 appropriate percentage goal or a specific dollar amount to be raised in capital fund or building
67 programs that would be devoted to mission, possibly with individual members being given the
68 opportunity to designate a portion of their pledge for such purposes. Where circumstances will not
69 permit the inclusion of a percentage component for mission during a particular fundraising effort,
70 churches are encouraged to consider increasing their mission support when the campaign is
71 concluded. Presbytery Trustees shall exercise primary oversight as to congregational mission
72 designation in their capital process.
- 73 2. Presbytery shall approve member church’s major capital fund campaigns, building programs, and
74 property transactions that encumber the church's property (see Book of Order G-4.0206a) and
75 Presbytery has assigned the approval process to the Presbytery Trustees. The Trustees may require
76 up to two months in order to complete this process, and there may be additional requirements of
77 state law. Well in advance of beginning this process, a session should refer. Trustees “Capital
78 Projects and Campaign Planning” document on the website.

79

80 **B. PER CAPITA POLICY AND ADMINISTRATION**

81 ***Background***

82 *Per Capita is the means by which our denomination funds its “ecclesiastical” expenses, i.e. all the expenses*
83 *required to run the Church. The Book of Order states that Presbyteries “shall be responsible for raising their own*
84 *per capita funds and for the timely transmission of per capita funds to their respective synods and to the General*
85 *Assembly.” In 1992, the GA Permanent Judicial Commission [GA-PJC] ruled that Presbyteries may prepare and*
86 *publish a list of churches that pay or do not pay their per capita. They also ruled that a church may neither be*
87 *compelled to pay nor be punished for failure to pay any per capita amounts. In 1999, the GA-PJC ruled that*
88 *Presbyteries have the responsibility to pay the full amount of Synod and General Assembly per capita, even if*
89 *member churches do not pay the full amount allocated to them. Presbyteries have the responsibility to pay the*
90 *full amount irrespective of specific collections from churches “as long as funds are available within the*
91 *Presbytery.” The 1999 GA-PJC also stated that Presbyteries may use unrestricted funds to pay Synod and GA per*
92 *capita allocations.*

93

94 ***Policy***

95 Presbytery shall remit the full amount of Synod and General Assembly per capita in a timely fashion, regardless
96 of the amounts remitted to Presbytery by member churches.
97

98 In determining the Presbytery per capita dollar amount needed in the new budget year, the Budget
99 Development and Oversight Committee (BDOC) shall consider anticipated funding received via per capita,
100 general mission and other sources of income as well as anticipated “shrinkage” in the per capita amounts
101 remitted by member churches; any special circumstances that may be coming before the Presbytery, such as a
102 judicial case; and the per capita levels requested in recent years. BDOC will bring the per capita
103 recommendation to the Presbytery for approval at the fall meeting.

104 This “per member per capita” shall be multiplied by the most recent membership data for each member church
105 to arrive at a Presbytery per capita request from each member church.
106

107 Before the start of the new budget year, the Budget Development and Oversight Committee shall communicate the
108 Presbytery, Synod and General Assembly per capita apportionment to each member church.
109

110 The Presbytery asks its member churches to contribute Presbytery, Synod, and General Assembly per capita
111 apportionment to the Presbytery. The Presbytery does not receive per capita contributions from individuals, but
112 only from member churches.

113 Responsible Committee: Budget Development and Oversight Committee.
114

115 **C. PRESBYTERY FINANCE ADMINISTRATION**

116 ***Background***

117 *During their audit of the Presbytery’s books in the spring of 2004, the firm of Heveron & Co. strongly*
118 *recommended in their Management Letter that the Presbytery have a written policy governing the activities of*
119 *the Financial Administrator and Treasurer. Such a policy was prepared by the Administration Committee, in*
120 *consultation with the Trustees, the Treasurer, and Presbytery Leadership.*
121

122 **Introduction**

123 This section establishes guidelines and policies applicable to the operations of the Presbytery’s Finance Office
124 and the duties of the Financial Administrator [FA] and Treasurer in the areas of cash management, receipts,
125 disbursements, payroll, tax returns, accounting, per capita, and records retention. The purpose of this document
126 is to assure that Presbytery has:

- 127 ▪ Good stewardship of its financial resources.
- 128 ▪ Timely, complete, accurate and understandable picture of its financial status and projections.
- 129 ▪ Transparency in all financial transactions.
130

131 **Accounting**

132 The Presbytery shall use modified cash basis accounting and follow Generally Accepted Accounting Principles
133 (Modified cash is not GAAP reporting).
134

135 The General Ledger and all related financial documents shall be kept in a secure form. The ledger and supporting
136 documents will be backed up daily or after each use to prevent loss of data. A copy of the backup shall be kept
137 off-premises and updated at least monthly.
138

139 The Chart of Accounts will be established and modified at the direction of the Treasurer and in coordination
140 with the Financial Administrator.
141

142 Financial reports, such as the Balance Sheet and the Operating Statement, will be established, formatted, and
143 modified at the direction of the Treasurer and in coordination with the Financial Administrator.
144

145 The Presbytery Treasurer has online access to the Presbytery checking account, money market account and
146 credit card statements. The Treasurer will review the accounts on a regular basis.
147

148 Under the direction of the Budget Development and Oversight Committee, and with the full cooperation of the
149 Financial Administrator, a financial review or an audit shall be performed annually by an independent CPA firm.
150 Financial reviews shall be conducted in accordance with *Book of Order* G-3.0113. In a year during which a
151 Financial Administrator changes or a Treasurer leaves office, a full audit, as opposed to the less extensive financial
152 review, is required.
153

154 Each month the gains/losses in the investment account will be reported on the balance sheet and distributed to
155 the following funds according to their pro rata share of the Investment Funds:

- Slater Fund ▪ Matthew 25 Fund ▪ Westminster-RPH Mission Fund
- Food Ministry Fund ▪ Genesee Valley Fund

156 Because of the activity in the funds that does not pass through to the investment account during the year, an annual
157 review will be conducted by BDOC to determine if it is necessary to allocate any differences among the accounts.
158

159 **Cash Management**

160 The Treasurer will be responsible for the management of all short-term [less than one year] cash needs of the
161 Presbytery and shall report to Trustees. The Treasurer may move funds or direct the Financial Administrator to
162 move funds between the checking account and a Money Market Fund.
163

164 **Presbytery Receipts**

165 A staff person or designated volunteer other than the Financial Administrator (FA) - Presbytery Staff, is
166 responsible for opening any Presbytery receipts. Checks will be stamped "for deposit only" and given to the FA.
167 Cash receipts should include documentation for the total amount being forwarded to the FA. Cash and checks
168 should not be kept in the Presbytery office for more than one week.
169

170 The Treasurer (elected position) will monitor the PayPal account and review deposit documentation processed by FA.
171

172 All receipts must be recorded in the Presbytery's general ledger.
173

174 Presbytery receipts for operating and mission functions in the form of securities shall be converted to cash.
175

176 The disposition of securities, land, or property donated to the Presbytery shall be the responsibility of the Trustees.
177

178 **Presbytery Disbursements**

179 All disbursements from the Presbytery shall be made via on-line checks drawn on the Presbytery checking
180 account, by physical check or by the Financial Administrator's Presbytery credit card. No transactions shall occur
181 via cash and the Presbytery shall not have a Petty Cash Fund. The Treasurer, the Financial Administrator, and the
182 Presbytery Leader are authorized to sign checks. Other signatories may be designated at the discretion of the
183 Treasurer with the approval of the Trustees.
184

185 All disbursements must be recorded in the Presbytery's general ledger.
186

187 The Financial Administrator shall never issue a blank check [payee and/or amount field blank] for any reason.
188

189 Recurring expenses, which have been approved via the annual budget, such as rent, utility bills, *payroll (see
190 below), payments to Synod and General Assembly, insurance premiums, may be paid by the FA without a
191 specific voucher.
192

193 **Payroll disbursements: timesheets for hourly employees are reviewed/approved by the Presbytery Leader. Once*
194 *approved the Financial Administrator will send payroll to Presbytery CPA, who will send payroll documentation*
195 *to the Financial Administrator for payroll processing along with documentation to remit Federal/State taxes.*
196 *Documentation for all employees is reviewed and signed by the Treasurer.*
197

198 Non-recurring expenses, such as committee expenses, travel costs, legal expenses, employee reimbursements
199 and miscellaneous expenses shall be paid by the Financial Administrator only upon receipt of a voucher (with
200 receipts attached, if appropriate, or committee action noted) or invoice. Such a voucher or invoice shall be
201 signed by the appropriate Committee representative, the Presbytery Leader or Treasurer (Treasurer will
202 approve Presbytery Leader reimbursements). Reimbursement for mileage will be calculated at the then current
203 IRS rate for business travel.
204

205 Blank checks shall be stored in a locked file or cabinet.
206

207 With the approval of the Presbytery Leader and the Personnel Committee, Presbytery employees may be issued
208 a Presbytery credit card to be used for Presbytery business only.

209 **Reports**

210 At the direction of the Treasurer, the Financial Administrator shall prepare a Balance Sheet, Operating
211 Statement and the Mission & Per Capita Report for the preceding month, prior to the BDOC meeting. Reports
212 shall be distributed to the Trustees, BDOC, the Big Picture Team, the Presbytery Leader, and at each stated
213 Presbytery Meeting.
214

215 The Financial Administrator will provide Balance Sheet and Operating Statements to committee chairs and
216 working group leaders each month.
217

218 On a monthly basis, the Financial Administrator will provide member church leaders (Pastors in Churches, Clerks
219 of Session, Church Treasurers and PGV Church Administrators) with the Mission & Per Capita Report.
220

221 **Presbytery Operating Budget**

222 The Presbytery's fiscal year shall be the calendar year.
223

224 The Presbytery's Operating Budget is prepared by the Budget Development and Oversight Committee and
225 approved by vote of the Presbytery. At the Stated Meeting of Presbytery of May 26, 1992, it was approved that
226 the Budget Development and Oversight Committee shall "Prepare, in consultation with the Big Picture Team and
227 all Committee Chairpersons, for recommendation to Presbytery, a balanced budget which reflects Presbytery's
228 mission priorities."
229

230 The Treasurer shall provide the Budget Development and Oversight Committee with all current financial
231 information, projected trends, and any historical data that it may need in order to prepare a budget.
232

233 The Treasurer will assist the Budget Development and Oversight Committee in preparing draft budget
234 spreadsheets and any other documentation it may need in the budgeting process.
235

236 Each fall, the Budget Development and Oversight Committee will send a Presbytery General Mission letter and
237 form to churches about obtaining their General Mission estimate for the coming year.
238

239 **Record Retention and Record Keeping**

240 The permanent financial records of the Presbytery shall be kept in secure files or cabinets in the Finance
241 Administrator's office. Also, to aid in disaster recovery, the following confidential and financial records are also
242 housed electronically in the finance drive on the network. The Presbytery Leader and Financial Administrator
243 shall have access to the finance drive. Permanent financial records include:

- 244 ▪ All Federal and State Tax ID numbers
- 245 ▪ The Presbytery's incorporation documents and Federal Tax-Exempt Status letter
- 246 ▪ All bank accounts, mutual funds, and investment account numbers, names, addresses, and phone numbers
- 247 ▪ All insurance policies numbers, names, addresses, and phone numbers
- 248 ▪ All software version numbers, serial numbers, installation passwords, vendor tech support phone
249 numbers, i.e., all data needed to reinstall software after a disaster
- 250 ▪ Copies of major equipment invoices, including serial numbers, dates of purchase, and warranty information
- 251 ▪ Any other irreplaceable and very important documents
252

253 The Financial Administrator shall use records retention guidelines such as those in this policy.
254

255 **Policy Responsibilities**

256 The Treasurer is responsible for assuring ongoing compliance with these policies. In the event the Financial
257 Administrator is unable to fulfill their responsibilities within the scope of these policies, the Treasurer may act on
258 their behalf until the Presbytery Personnel Committee has resolved the situation.
259

260 In the event the Treasurer is unable to fulfill their responsibilities within the scope of these policies, the Big Picture Team
 261 shall appoint a Treasurer Pro Tem who shall serve until the Presbytery Committee on Representation can present a
 262 candidate for permanent Treasurer to the appropriate stated meeting of Presbytery.
 263

264 Policies for related financial areas, such as property management, church loans, and investment management,
 265 are the responsibility of the Trustees.
 266

267 Proposed revisions to this policy shall be submitted to the Budget Development and Oversight Committee,
 268 which shall prepare them for presentation to Presbytery.
 269

270 **RECORD RETENTION GUIDELINES**

Accident Reports & Claims	7 years	General Ledger	Permanently
Articles of Incorporation	Permanently	Insurance Policies [current]	While current
Audit Reports	Permanently	Insurance Policies [expired]	6 years
Bank Deposit Slips	3 years	Insurance records, claims, accident reports	Permanently
Bank Reconciliations	1 year	Internal Reports	3 years
Bank Statements	Permanently	Invoices from Vendors	8 years
Brokerage Statements	Permanently	Minute Books	Permanently
Budgets, Capital Budgets	2 years	Payroll Records	8 years
Stock & Bond Records	Permanently	Property Appraisals	Permanently
Canceled Checks [ordinary]	7 years	Property Records	Permanently
Canceled Checks [important payments or purchases]	Permanently	Purchase Orders	7 years
Contracts, Mortgages [expired]	7 years	Retirement & Pension Records	Permanently
Contracts, Mortgages [still in effect]	Permanently	Stock & Bond Certificates [expired]	7 years
Correspondence [routine]	3 years	Subsidiary Ledgers [if any]	7 years
Correspondence [legal]	Permanently	Tax Returns & Worksheets	Permanently
Depreciation Schedules	Permanently	Telephone Logs/Message Books	7 years
Employee Expense Reports	3 years	Timesheets	7 years
Employee Payroll Records	4 years	Training Manuals	Permanently
Employee Personnel Records	6 years	Vouchers for Payments	7 years
Employment Applications	3 years	Withholding Tax Statements	7 years
Financial Statements	Permanently		

271 Responsible Committees: Budget Development and Oversight Committee and Board of Trustees

272 **D. PRESBYTERY INVESTMENT POLICY**

273 **Investment Funds**

274 Investment Funds are those monies and assets which are not required for short-term needs. They are held for
275 future income, growth and use.
276

277 **Funds of Presbytery of Genesee Valley (PGV)**

278 Funds of the PGV can be used for any lawful purpose as determined by PGV governance, except that certain
279 funds are restricted by the terms of their donation or by a designation previously adopted by PGV (the latter
280 subject to subsequent amendment by PGV).
281

282 **Applicable Law**

283 Use of PGV funds is subject to The Book of Order and the directives of the General Assembly of the Presbyterian
284 Church, USA and to the laws of the United States and the State of New York, including, but not limited to, the New
285 York Prudent Management of Institutional Funds Act, Article 5 of New York Not-for-Profit Corporation Law (NYPMIFA).
286

287 **Goals and Objectives**

- 288 1. Investment Goals (General)
- 289 ▪ Preserve Capital
 - 290 ▪ Achieve adequate return net of Inflation and Expenses
 - 291 ▪ Grow the fund
- 292 2. Investment Objectives
- 293 ▪ Preserve Capital
 - 294 ▪ Control risk
 - 295 ▪ Generate income
 - 296 ▪ Grow assets
 - 297 ▪ Follow investment discipline
 - 298 ▪ Maintain enough liquid assets to meet distributions
 - 299 ▪ Meet or exceed reasonable market benchmarks chosen by PGV
 - 300 ▪ Ambitious goals of profit maximization and market timing through short-term and/or speculative
301 investments will not be sought
302

303 **Restrictions on Investments**

304 PGV will abide by the directive of the General Assembly on Divestment. The General Assembly urges divestment
305 and/or proscription of those corporations on its Divestment List, which is updated annually. PGV seeks to follow
306 this directive by avoiding direct holding of any securities or debt of the listed corporations. PGV recognizes that
307 avoiding any indirect holding of such securities or debt through holding of mutual funds or similar instruments
308 which, in turn, hold securities or debt of the listed corporations, is difficult to achieve, but aspires to minimize
309 these positions as well.
310

311 This list is available at: <https://www.presbyterianmission.org/ministries/mrti>.

312
313 PGV has a desire for the management of its investments to reflect its ethical, social, and moral principles.
314 Accordingly, investment strategies that include a focus on positive Environmental, Social, and Governance
315 practices are encouraged, subject to the availability and expected effectiveness of such strategies.

316 PGV will not invest in the following:

- 317 ▪ Commodities and Future Contracts
- 318 ▪ Private Placements
- 319 ▪ Cryptocurrencies (e.g. bitcoin)
- 320 ▪ Limited Partnerships
- 321 ▪ Venture Capital Investments
- 322 ▪ Hedge Funds
- 323 ○ Fixed Income securities that are not denominated in U.S. Dollars or Euros, or Pounds Sterling

- 324 ○ Hard assets, including, but not limited to, precious metals, gems, art, collectibles, international
- 325 equities not traded on domestic exchanges or in over-the-counter markets unless included in a
- 326 U.S.-based commingled funds
- 327 ○ Real estate other than through publicly traded REITS
- 328 ○ Auction rate securities
- 329

330 PGV will not engage in the following transactions:

- 331 ■ Short selling
- 332 ■ Margin Transactions
- 333

334 **Roles and Responsibilities**

335 Board of Trustees of PGV shall be responsible for oversight of Investment Funds and Investment Policy. That

336 oversight includes:

- 337 1. Appoint External Investment Manager.
- 338 2. Monitor activity of External Investment Manager, including, but not limited to:
 - 339 a. Set standards of performance, including, but not limited to, market benchmarks. Currently, these
 - 340 standards are: “total return of at least 3-7% above the rate of inflation annually over a market cycle
 - 341 b. Set minimum credit risk for individual investments, and average weighted credit quality for the
 - 342 entire fixed income portfolio.
 - 343 c. Set strategic goals including, but not limited to, asset allocation. The targeted asset allocation is
 - 344 70% Equity, 30% Fixed income. Variations from these targets should be maintained within
 - 345 plus/minus 10 percentage points.
 - 346 d. Set standard for mix between U.S. and foreign holdings. Foreign stocks are expected to comprise
 - 347 30% of the equity portion of the portfolio, with an allowable range of 10%-40%.
 - 348 e. Monitor investment positions against the list of prohibited investments set forth in this Policy and
 - 349 GA Divestment List.
 - 350 f. Review all statements and reports issued by External Investment Manager and Custodian.
 - 351 g. Meet face to face with External Investment Manager, at least annually.
 - 352 h. Provide the External Investment Manager with a copy of the current Investment Policy at least
 - 353 annually and as soon as reasonably possible after the adoption of any amendments or changes.
- 354 3. Report at least quarterly to the Big Picture Team and to the Presbytery on Investment Fund’s
- 355 performance and the performance of the External Investment Manager.
- 356

357 **External Manager Shall:**

358 Any External Agent to whom PGV delegates the management and investment of its Investment Fund

359 (hereinafter sometimes referred to as “External Manager”) shall:

- 360 1. Invest PGV assets pursuant to the terms of this policy and its successor policies as communicated to
- 361 External Manager.
- 362 2. Maintain a relationship with PGV terminable at any time, without penalty, with up to 60 days’ notice.
- 363 (NYPMIFA, Section 554(e))
- 364 3. Engage, interface, supervise and pay brokers, dealers and custodians. The custodians shall maintain
- 365 possession of all PGV Investment Fund securities and funds, collect dividend and interest payments,
- 366 redeem maturing securities, and effect receipt and delivery following purchases and sales. The
- 367 custodian will also perform regular accounting of all assets owned, purchased, or sold, as well as
- 368 movement of assets into and out of the PGV accounts. Provide PGV with Quarterly Reports
- 369 including a list of assets priced at market value at the end of the quarter and including earnings on an
- 370 accrual basis, transaction activity and a balancing report for the previous quarter.
- 371 4. Monitor changes in management or other material changes for each of the investments chosen.
- 372 5. Notify PGV promptly of material changes of ownership, structure, or key personnel of the External Manager
- 373 and of the individual account representative of the External Manager assigned to the account of PGV.
- 374 6. Notify PGV promptly of any actual or potential conflicts of interest that could affect PGV account.

- 375 7. Notify PGV promptly of any litigation or enforcement actions outstanding against the External Manager or
376 any of its investment professionals and any notice External Manager has of impending initiation of such.
377

378 Investment Management Standards of Conduct:

379 The following standards will be met in the management of the Funds:

- 380 1. Subject to the intent of a donor expressed in any gift instrument, the Board of Trustees, in managing and
381 investing the Funds, shall consider the purposes of the PGV and the purposes of the Funds.
382 2. In addition to complying with the duty of loyalty imposed by law, each person responsible for managing
383 and investing the Funds shall manage and invest in good faith and with the care an ordinarily prudent
384 person in a like position would exercise under similar circumstances. A person who has special skills or
385 expertise or is selected in reliance upon the person's representation that the person has special skills or
386 expertise has a duty to use those skills or that expertise in managing and investing the Funds.
387 3. In managing and investing the Funds, the Trustees and External Manager may only incur costs that are
388 appropriate and reasonable in relation to the assets, the purposes of the PGV, and the skills available
389 to the PGV.
390 4. The Trustees and External Manager shall make every reasonable effort to verify the facts relevant to the
391 management and investment of the Funds.
392 5. Except as otherwise provided by a gift instrument, the following apply:
393 a. In managing and investing the Funds, the following factors, if relevant, will be considered:
394 i. General economic conditions
395 ii. The possible effect of inflation or deflation
396 iii. Any expected tax consequences, if any, of investment decisions or strategies
397 iv. The role each investment or course of action plays within the overall investment portfolio
398 of the Funds
399 v. The expected total return from income and the appreciation of investments
400 vi. The needs of the PGV and the Funds to make distributions and preserve capital
401 vii. Other resources of the PGV
402 viii. Any specific asset's special value, or special relationship, if any, to the purposes of the Funds
403 b. Management and investment decisions about an individual asset must be made not in isolation,
404 but rather in the context of the Funds' portfolio of investments as a whole and as part of an overall
405 investment strategy having risk and return objectives reasonably suited to the Funds and the PGV.
406 c. The Trustees and the External Manager shall diversify the investments of the Fund unless the
407 Trustees determine that, due to special circumstances, the purposes of the Funds are better
408 served without diversification. The Trustees shall review a decision not to diversify as
409 frequently as circumstances require, but at least annually.
410 d. Within a reasonable time after receiving property, the PGV shall make and carry out decisions
411 concerning the retention or disposition of the property or to rebalance a portfolio in order to bring
412 the Funds into compliance with the purposes, terms, and distribution requirements of the Funds.
413 6. This policy sets forth guidelines on investments and delegation of management and investment
414 functions in accord with Prudent Investor standards and the standards of the New York Prudent
415 Management of Institutional Funds Act (NYPMIFA).
416

417 **Acquired Assets**

418 **Background**

419 *As of January 1, 2020, the value of the Acquired Assets Fund, the Revolving Loan Fund, and the Budget Support*
420 *Fund were combined to form the Genesee Valley Fund. Assets acquired thereafter through the dissolution of*
421 *congregations, the sale of property, bequests (unless specified by the donor and accepted by the Board of*
422 *Trustees) and any other undesignated gifts will be held in the Genesee Valley Fund.*
423
424
425

426 **Policy**
427 Assets acquired through dissolution or dismissal of congregations, sale of property, bequests (unless specified
428 by the donor and accepted by the Board of Trustees) and any other gifts will be held in the Genesee Valley Fund
429 unless a different allocation is approved by Presbytery. Assets acquired through dissolution or dismissal of
430 congregations that reflect unpaid Per Capita allocations shall be held in the Genesee Valley Fund.
431

432 **E. PRESBYTERY CAPITALIZATION POLICY**

433 **Policy**
434 The Presbytery of Genesee Valley shall capitalize any item, equipment, or software that costs more than \$2,500 and
435 is expected to last at least three years. Capitalized items shall be depreciated over their estimated useful lifetimes.
436 Responsible Committee: Budget Development and Oversight Committee
437

438 **F. DESIGNATED FUNDS: DESCRIPTIONS AND POLICIES**

439 **Fund Designation**

440 The Presbytery shall distinguish between Donor Restricted Funds, Donor Specific Use Funds and Presbytery
441 Designated funds:

- 442 ▪ **Donor Restricted**: The acceptance and management of Donor Restricted Funds shall be subject to
443 Presbytery’s acceptance of the restrictions, if any, placed by the donor upon the use of such funds
- 444 ▪ **Donor Specific Use**: The FA may receive monies intended by their donors for specific groups or events,
445 such as the Peace & Global Witness Offering and Rochester Presbyterian Home, and will account for
446 such monies as Donor Specific Use Funds
- 447 ▪ **Presbytery Designated**: The Presbytery may specify some of its own funds for specific purposes and the
448 FA shall account for such actions as Presbytery Designated Funds
449

450 **F1. DONOR RESTRICTED FUND**

451 **Slater Fund**

452 **Background**
453 *The Fund was established in 1882 by the will of Eleazer Slater to benefit the churches of Niagara Presbytery*
454 *located in Niagara and Orleans Counties. Unfortunately, the original documentation relating to this Fund has*
455 *been lost. However, a 1882 newspaper clipping about the Slater bequest and several legal documents in the*
456 *Presbytery’s files indicate that Slater intended that the principal of the fund be permanently restricted, i.e. could*
457 *not be spent, and that only the income could be used for the benefit of the above mentioned churches. In 1988,*
458 *the Orleans County Surrogate Court divided the Fund between the Presbytery of Western New York and the*
459 *Presbytery of Genesee Valley, since Niagara Presbytery no longer existed. The book value, or original value, of*
460 *our share of the Fund was \$22,623.*
461

462 *The Orleans County Court also directed that the income from the Fund be used for the benefit of the five*
463 *Presbyterian Churches located in Orleans County, namely First Presbyterian Church of Albion; Barre Center*
464 *Presbyterian Church; First Presbyterian Church of Holly; Lyndonville Presbyterian Church; and First Presbyterian*
465 *Church of Medina. In 1991, New York endowment law was changed, so that any capital gains arising from*
466 *restricted funds are not restricted. Thus, only the original book value of \$22,623 is restricted.*
467

468 **Policy**
469 The income of the Slater Fund for a given year shall be its pro rata share of all income [dividends and interest]
470 generated by the Presbytery Investment Funds as of December 31st of the prior year. This income shall be
471 divided equally between and dispersed to each of the Presbyterian Churches located in Orleans County, namely
472 First PC of Albion, Barre Center PC, Lyndonville PC, First PC of Holley, and First PC of Medina. The Presbytery
473 encourages the five churches to work together to tithe this income. If for some reason such income is not
474 dispersed to these churches, said income will be added to the principal of the Slater Fund.

475 As noted in the Background above, only the original book value [\$22,623] is permanently restricted from being
 476 spent. The realized capital gain accumulated in the fund is also for the benefit of the five churches. The churches
 477 may submit proposals for the use of this realized gain, if they so desire, to the Presbytery Trustees for
 478 consideration.
 479

480 The Slater Fund shall be part of the professionally managed Investment Funds and share in the capital gain or
 481 loss of these funds.

482 Responsible Committee: Board of Trustees
 483

484 **F2. DONOR-SPECIFIC USE FUNDS**

485 ***Background***

486 *Over the years, the Presbytery has acted as banker, receiving agent, disbursing agent, and/or bookkeeper for*
 487 *funds coming from Synod and GA to member churches, funds going from member churches to Synod and GA,*
 488 *and funds related to various Presbytery groups that do not have bookkeeping or banking capabilities. From time-*
 489 *to-time, the Presbytery will also receive gifts, grants, and bequests, while not permanently restricted, are given*
 490 *with a donor-specified use or functional understanding.*

492 ***Policy***

493 The Presbytery may serve as the banking and bookkeeping function for Presbytery-related groups, pass-through
 494 funds, and donor-specified use funds. These monies shall be accounted for in a 3100 series account in the
 495 Presbytery General Ledger. The Financial Administrator shall give these groups reports as to their account activity
 496 whenever they request. These Donor Specific Use Funds shall not be placed in the professionally managed
 497 Investment Fund and shall not participate in any capital gains or losses that may occur in the Investment Fund.
 498

499 **Donor-Specific Use Funds & Responsible Committees:**

Donor-Specific Use Funds	Responsible Committee
Blossom Trust <i>Background: The Blossom Trust is held by the Presbyterian Foundation. PGV receives quarterly interest/dividends. The Trust was created for the work of the Women’s Board of Foreign Missions (WBFM) in accordance with the wishes of the Women’s Presbyterian Society of Rochester. Both organizations have been dissolved for many years. Upon consultation with our auditors, Presbytery may distribute these funds to international missions.</i>	Grants Working Group of the Healthier Congregations Team
Commissioned Pastor Training	Committee on Ministry
Congregational Legal Support	Trustees and Committee on Ministry
Emergency Aid Fund	Pastoral Care Committee
Measuring Mission	Tools & Training Working Group of the Healthier Congregations Team
Ministry Candidates Aid Fund	Committee on Preparation for Ministry
Misc. Designated Gifts Financial Administrator holds funds from churches for Rochester Presbyterian Home & General Assembly and remits to those entities annually	No responsible committee
New Worshiping Communities (NWC) Presbytery holds grant funds from other sources.	NWC Leadership
Presbytery Peace & Global Witness Offering	Grants Working Group of the Healthier Congregations Team
Scholarships	Tools & Training Working Group of the Healthier Congregations Team
Synod Partnership Grant - Shared by Genesee Valley, Geneva, & Western NY Presbyteries	Big Picture Team Oversight
Visioning Working Group	Big Picture Team

500 **F3. PRESBYTERY DESIGNATED FUNDS**

501 **Westminster Worship Ministry at Rochester Presbyterian Home Fund**

502 ***Background***

503 *After the sale of their building in 1997, the Westminster Church congregation rented space in the former Presbytery*
504 *office on Thurston Road owned by the Presbyterian Home. The Westminster congregation held regular worship*
505 *services at the Presbyterian Home and became very involved and connected with the daily life of the Home.*
506

507 *As of June 30, 2006, at their request, the Presbytery dissolved the Westminster congregation. The Westminster*
508 *session recommended to the Presbytery that their remaining assets be used to establish a fund to support the*
509 *ministry of a “mission co-worker chaplain” at the Presbyterian Home.*
510

511 ***Policy***

512 The only purpose of this fund is to support the work of a Mission Co-worker Chaplain at the Rochester
513 Presbyterian Home. It is recognized that this support will require the use of all of the funds pro rata share of
514 investment interest and dividends, as well as a portion of the fund principal.
515

516 The demands made on the fund and the progress of the program will be reviewed annually by the Mission
517 Linkages Working Group of the Big Picture Team and the Presbytery Trustees.
518

519 If for some reason the Mission Co-worker Chaplain program at the Presbyterian Home were to be terminated,
520 any assets remaining shall be used as directed by the Big Picture Team and approved by Presbytery. The assets
521 of the Westminster Fund shall be placed in the professionally managed Investment Fund and share in the capital
522 gain or loss of these funds.

523 Responsible Committees:-The Big Picture Team via Mission Linkages Working Group.
524

525 **Genesee Valley Fund**

526 ***Background***

527 *The former Revolving Loan Fund of the Presbytery (RLF), in its various forms, had been used by the Presbytery*
528 *since 1952 to grow invested funds and to use income from the Fund for loans and lines of credit to churches. In*
529 *2011, Presbytery affirmed the existing purposes of the RLF, and upon recognizing that accruing interest and*
530 *sound investment had grown the fund to a level consistently higher than necessary to respond to requests from*
531 *churches, revised the RLF policy to cap the fund at an appropriately sufficient level to meet anticipated needs*
532 *(\$850,000). Assets in the fund which exceeded this level were placed in another Presbytery Fund to support other*
533 *Presbytery-determined mission and ministry. This fund was first named the Great Ends of the Church, and then*
534 *re-named Presbytery Budget Support.*
535

536 ***Policy***

537 The purpose of this Fund is to grow in value with investment return and to provide Total Return/Spend income
538 for the Presbytery operating budget annually. A Total Return/Spend policy is a defined calculation methodology
539 that determines the annual amount of non-restricted investments that may be used to support the Presbytery’s
540 operating budget on a sustainable basis, year over year.

- 541 ▪ Total Return is the combination of investment fund income, dividends, and market fluctuation.
- 542 ▪ The Presbytery has approved that 5%-8% of the Fund’s value may be drawn annually for income based
543 on a 20-quarter rolling average, with the 20th quarter being the most recent calendar year third quarter.
544 Any proposed change to the value to be drawn will be recommended by the Trustees, approved by the
545 Big Picture Team, and reported to the Presbytery.

547 The operating budget will show the amount to be drawn from the Genesee Valley Fund in the line item titled
548 Investment Support for Sustainability. If additional funds are required from the Presbytery’s Investment Funds,
549 the Treasurer shall first obtain approval from the Trustees which will bring the recommendation to Presbytery.
550 Any amount approved by the Presbytery in addition to this draw will be shown at the bottom of the Operating

551 Statement and Annual Operating Budget as Deficit Offset from the Genesee Valley Fund for transparency that
552 this is additional support beyond the budgeted amount.

553
554 **Additional Uses of this Fund:**

555 Loans and Lines of Credit

556 Churches seeking loans or lines of credit for building repair/renovations will be encouraged, with the consultation
557 and approval of the Trustees, to apply first to the Presbyterian Investment and Loan Program (PILP). If PILP does
558 not grant the loan or line of credit, the Trustees will have the discretion to recommend to the Big Picture
559 Team/Presbytery that the church receive a loan or line of credit from the Genesee Valley Fund. Loan repayment
560 terms should compare very favorably with those in the commercial loan market.

561
562 Reserves

563 The Trustees will calculate the amount of the reserve to be held within the Fund to back the loan guarantees
564 for all PILP Loans or loans from other lenders, including mortgages for new construction. The Fund will be
565 managed in such a way that there are always sufficient reserves to make nine months of payments on loans
566 and loans guaranteed, and to fund any approved lines of credit.

567 Responsible Committees: Budget Development and Oversight, Board of Trustees
568

569 **Youth Triennium Escrow Fund**

570 ***Background***

571 *Since the Youth Triennium ordinarily occurs ~~only~~ every third year, the Presbytery felt that it was less disruptive to*
572 *the annual budgeting process to budget for the triennium every year and to accumulate the funds until needed.*

573
574 ***Policy***

575 To provide financial support to help send Presbytery's youth delegates to the PC(USA) sponsored Youth
576 Triennium. This fund shall not be part of the professionally managed Investment Fund and shall not participate
577 in any capital gains or losses that may be generated by the Investment Fund.

578 Responsible Committee: Youth and Young Adult Working Group of the Healthier Congregations Team.
579

580 **Matthew 25 Fund**

581 ***Background***

582 *On April 24, 2021, the Presbytery approved the recommendations of the Big Picture Team involving the*
583 *sunsetting of the ROC SALT Mission Center, a three-year pilot mission project of the Presbytery of Genesee*
584 *Valley. Included in the motions was the approval to sell the ROC SALT building (former Calvary St. Andrews--68*
585 *Ashland St., Rochester, NY).*

586
587 *The Presbytery approved that net proceeds from the sale of the property would be distributed at defined*
588 *percentages to various mission opportunities including the South Wedge Food Program, originally a ministry of*
589 *Calvary St. Andrews and then of ROC SALT, and the newly defined herein "Matthew 25 Fund." Matthew 25 is a*
590 *PC(USA) initiative that embraces three areas of focus: dismantling structural racism, eradicating systemic*
591 *poverty, and building congregational vitality. The Presbytery of Genesee Valley became a Matthew 25 Mid*
592 *Council at the same April 2021 stated meeting.*

593
594 ***Policy***

595 The Big Picture Team and its Working Groups shall make recommendations to the Presbytery for uses
596 of the "Matthew 25 Fund" with a focus on dismantling structural racism and eradicating systemic
597 poverty and income disparities within the city of Rochester, NY. The assets of the "Matthew 25 Fund"
598 shall be included in the Investment Funds professionally managed by the Board of Trustees and share
599 in the capital gain or loss of these funds.

600 Approved at the July 27, 2021 Stated Presbytery meeting.

601 Responsible Committee: Big Picture Team

602 **Food Ministry Fund**

603 ***Background***

604 *At the Presbytery meeting held on April 24, 2021, the Presbytery voted to approve the following amended*
605 *motion:*

606 *A percentage of the net proceeds (from the sale of 68 Ashland St) be gifted to the South Wedge Food*
607 *Program in recognition of its history as a ministry of the Calvary St. Andrews congregation, with the*
608 *balance of the proceeds returning to the Presbytery of Genesee Valley for future mission opportunities*
609 *focused on racial and income disparities in Rochester. The Presbytery of Genesee Valley will determine*
610 *the final distribution of the proceeds from the sale of the building. Percentages will take into*
611 *consideration income and expenses for the building between the time of SWFP incorporation and sale of*
612 *the building.*

614 *At the Presbytery meeting held on July 27, 2021, the Presbytery voted to approve the following amended motion*
615 *regarding the distribution of the net proceeds from the sale of the Calvary St. Andrews building (68 Ashland St),*
616 *to be paid after payment of expenses of the sale and the outstanding loan from Presbytery Loan Program:*

- 617 *▪ 35% to the Matthew 25 Fund*
- 618 *▪ 10% to the South Wedge Food Program [NOTE: renamed to The People’s Pantry of Rochester]*
- 619 *▪ 25% to the food ministry fund of the Presbytery*
- 620 *▪ 20% to Westminster Fund (for funding of chaplaincy at Rochester Presbyterian Home) 10% to Genesee*
621 *Valley Fund*

623 *Proceeds shall be reduced by all closing-related costs, any outstanding loans, and any building-related expenses*
624 *that have been incurred by Presbytery. Additionally, a reserve for the ROC SALT portion of the 2021 financial*
625 *review/audit shall be deducted along with any unpaid Per Capita amounts attributed to the former Calvary St.*
626 *Andrews congregation. Proportionate labor expense (accounting and facility) will be included in the offset to*
627 *arrive at net proceeds.*

629 ***Policy***

630 25% of the net proceeds from the sale of 68 Ashland St, as defined in the paragraph above, shall be held as a
631 Presbytery Designated Fund named “FOOD MINISTRY FUND.” The Food Ministry Fund shall be part of the
632 professionally managed Investment Funds and share in the capital gain or loss of these funds. The FOOD MINISTRY
633 FUND shall be evenly distributed to The People’s Pantry of Rochester (TPPR) over the course of five years via one
634 payment ordinarily made by January 31 of each year. The first installment will be made in January 2023.

636 To monitor the viability of the TPPR, the TPPR shall forward quarterly financials (Income Statement and Balance
637 Sheet) to the Trustees. Should the Trustees and the Big Picture Team determine that the long-term viability of the
638 TPPR may be limited, funding may then be focused and distributed to other Food Ministry programs within the
639 Presbytery. Recommendations to approve funding food ministries other than the TPPR will come from the
640 Trustees and/or the Big Picture Team to a stated meeting of Presbytery.

641 *Approved at the January 25, 2022 Stated Presbytery meeting.*
642 *Responsible Committee: Big Picture Team*

644 **Grace Fund for Urban Ministry**

645 Established on May 23, 2000 upon dissolution of the Grace Presbyterian Church and sale of property. Funds
646 designated for urban congregational ministries. January 25, 2022 Presbytery voted to gift the remaining fund
647 balance to Trinity Emmanuel Presbyterian Church.

648
649

Financial Policies and Procedures approved 04/26/22