

**Policies Regarding Savannah Presbytery Funds in
New Covenant Balanced Growth Fund (NCF) of the Presbyterian Foundation**
*Approved by Savannah Presbytery
Winter Stated Meeting - November 14, 2020*

Investment Policy

The funds will be invested in a manner with the goal to achieve a long-term annual return that outpaces the spending formula for the operating budget over time and that targets growing the corpus of the funds in order to keep up with inflation. The presbytery may choose to hire an investment advisor. To avoid a conflict of interest, the investment advisor may not be a member of the presbytery.

- Investment Objective: Capital Appreciation and income generation
- Tax Consequences: Non-profit 501(c)(3) status equates to no tax liability
- Investment Time Horizon: Long-term (permanent) funds
- Risk Tolerance: Knowledgeable Investor – Moderate to low risk tolerance
- Permissible Investments: Subject to Prudent Investor and the Uniform Management of Institutional Funds Act
- Socially Responsible investments: Follow the investment guidelines as defined by the PCUSA.
- Performance Measurement: Total returns shall be compared to a weighted benchmark composite
- Asset Allocation Strategy:

Class	Target %	Range%
Equity	60%	55-70%
Fixed Income	40%	30-45%
Cash	0%	0-5%

Future income to these funds will include proceeds from the sale of any real property and proceeds received from churches that withdraw or are dismissed from Savannah Presbytery

Spending Policy for NCF funds to support the Annual Operating Budget:

This formula shall be applied to all funds that are invested in the NCF. The spending formula will be used to calculate the amount of money that may be drawn from the funds annually, ordinarily withdrawn quarterly, to supplement the annual operating budget of the presbytery.

The use of this formula is meant to align with the fiscal year for the presbytery which is January to December. After the end of the third quarter (Sept. 30) the spending formula shall be calculated so that the amount can be incorporated into the budget for the following fiscal year.

The amount calculated shall be distributed from the NCF to the presbytery at the beginning of the year or distributed in fourths at the beginning of each quarter. If all of the funds are not expended in the fiscal year the presbytery shall have the right to deposit funds in their Unified money market which acts as a savings account.

To calculate the spending formula, the average account market value, as reported on quarterly account statements, for the 12 previous quarters shall be multiplied by an amount not greater than 5%.

SPENDING FORMULA =

$((\text{Sum of the ending balance of the 12 previous quarters market value}) / 12) \times .05$

This spending formula will be applied as long as the minimum balance in the NCF does not drop below \$500,000.

Spending Policy for NCF funds to support New Church Development and Church Transformation:

This formula shall be applied to all funds that are invested through New Covenant Funds. The spending formula will be used to calculate the amount of money that may be drawn from the funds to support new church development and/or church transformation. With a 2/3 vote of the presbytery various amounts may be withdrawn from the NCF for new church development and/or transformation as long as the minimum balance in the NCF does not drop below \$500,000. The presbytery should be advised when considering a withdrawal that this will impact the formula for the withdrawal for the support of annual operating budget.