

**THE PRESBYTERY OF THE MIAMI VALLEY
PRESBYTERY TRUSTEES
POLICY AND PRACTICE**

(Note: Whenever the term “minister of the Word and Sacrament” is used in this Policy and Practice, it is deemed to be identical to the equivalent term “teaching elder” when that term is used in the Book of Order.)

**ARTICLE I
POLICY**

Section 1.01: General

The policies of the Presbytery Trustees represent the authority vested in it by the Presbytery of the Miami Valley. In carrying out such policies the Presbytery Trustees are acting as the presbytery in all measure and manner. All additions, deletions or changes to policy must be approved by the presbytery. No policy of the Presbytery Trustees shall be contrary to the provisions of the *Book of Order*.

Section 1.02: Function

The Presbytery Trustees shall execute the various functions necessary to carry out the mission and ministry of the Presbytery of the Miami Valley, in accordance with *Section 3.11* of the *PMV Policy and Practice*.

Specific functions of the Presbytery Trustees shall include:

1. Preparing a presbytery budget for approval by the Leadership Council, after receiving and reviewing all budget requests from committees.
2. Monitoring the operating budget and presbytery finances throughout the year.
3. Serving as the Trustees of the Presbytery of the Miami Valley; the Chairperson of the Presbytery Trustees shall be the President of the Corporation, the Stated Clerk shall be the Secretary of the Corporation, and the Treasurer shall be the Treasurer of the Corporation or in the event the presbytery no longer has a treasurer, the Trustees will appoint a treasurer for the corporation. (updated 5/23)
4. Taking and holding all property, real or personal, which may be acquired by or be devised, bequeathed, transferred, or conveyed to the presbytery for the use and benefit of the presbytery or the denomination which it represents within its bounds.
5. Managing or disposing of such property as directed by the presbytery, subject to such restrictions as might be imposed by the terms of the will, deed, or other instrument by which such property is acquired.
6. Reporting to the presbytery at least annually on the assets held by the corporation and on the liabilities incurred by the corporation on behalf of the presbytery.
7. Coordinating, advising and counseling the Network Support and Grants Committee with respect to the financial responsibilities of its work, including

specific Network funds, presbytery grants, and non-presbytery grant funding for specific networks.

8. Interpreting, upholding, and making recommendations to the presbytery through the Leadership Council on all matters relating to the buying, accepting, selling or mortgaging of property; and the razing or disposing of buildings.
9. Developing, monitoring and maintaining a fiscal accountability policy for the presbytery.
10. Developing, monitoring and maintaining an investment policy for the presbytery.

Section 1.03: Authority to Act as Presbytery

The Presbytery Trustees may act as the Presbytery of the Miami Valley in the following matters, when the schedule of presbytery meetings makes acting otherwise impractical:

1. Approving loans up to \$100,000.00 to churches of the presbytery, with communication and counsel from, and consent of, the Leadership Council.
2. Approving the sale or encumbrance of real property including loans, owned by the Presbytery, with communication and counsel from, and the consent of, the Leadership Council. (approved 7/23)
3. Authorizing non-budgeted expenditures of the Presbytery up to \$5,000.00 for any one particular instance. (approved 7/23_

Section 1.04: Presbytery Trustees Size

Membership of the Presbytery Trustees shall be three ministers of the Word and Sacraments and three ruling elders, elected in three classes of two persons, for terms of three years each, renewable for one term.

One member of the Presbytery Trustees shall be chosen by the trustees to serve a one-year renewable term on the Leadership Council.

Section 1.05: Quorum

One more than one-half of the current voting members shall constitute a quorum. All proceedings from meetings with no quorum present must be ratified at the earliest subsequent meeting in which there is a quorum.

Section 1.06: Budget

The operating budget for the Presbytery Trustees shall be determined and approved by the presbytery. As part of the budget process, the Presbytery Trustees shall provide their funding request annually to the Leadership Council, as part of the preparation of the budget.

Section 1.07: Communication and Access

The Presbytery Trustees shall be open to communication and access at all times to all members of the presbytery.

Section 1.08: Fiscal Accountability Policy

1. Income

The presbytery budget shall include the following sources of income:

- A. Mission pledges made by sessions and congregations
- B. Connectional Support income, based on “fair share” allocations for churches established annually by the presbytery
- C. Interest income from invested funds
- D. Use of principal with prior approval of the presbytery
- E. Grants from General Assembly, Synod and other sources
- F. Designated gifts
- G. Miscellaneous receipts
- H. Pass through funds
- I. Proceeds from sale or rental of real estate

2. Designated and Undesignated Funds

- A. The Leadership Council and Presbytery Trustees shall develop an annual budget with the assumption that all contributed funds will be undesignated. This procedure will serve to ensure that the budget is developed in accordance with the mission directives of the presbytery.
- B. Congregations and individuals may designate mission funds to a particular committee, Designated Network, or other approved presbytery project or program. Congregations may also designate general mission funds to a General Assembly project, first coordinating with General Assembly to ensure that the project is current and funds can be so designated.
- C. Undesignated mission giving shall be distributed as directed by current presbytery action.

3. Expenditures and Controls

- A. Balances available at the end of the year from the presbytery budget shall be carried forward in the General Fund Balance, except where an agreement with General Assembly, Synod or grant sources requires the return of salvage funds from any grant at the end of the year—with the following exceptions:
 - 1. Those portions of the Office Budget which relate to accruing funds for major capital improvements or equipment purchases.

2. Salary support for pastors, executive staff continuing education, special assistance funds, new church development and church redevelopment funds.
 - B. All designated funds and trust funds received by the presbytery shall be administered strictly in accordance with the stipulations of the donor, and with the restrictions and provisions of the trusts. A reasonable service fee set by the Presbytery Trustees may be charged against such funds.
 - C. The proceeds from the sale of real estate will be placed in the reserve fund unless otherwise directed by the presbytery.
 - D. The funds of the presbytery shall be expended in accordance with the budget approved by the presbytery. The Leadership Council, in consultation with Presbytery Trustees, shall have authority to adjust the budget as necessary during the year.
 - E. The Treasurer of the presbytery shall have authority to establish “pass through” accounts for non-budgeted funds received, with expenditures limited to the income received.
 - F. The Treasurer, or anyone authorized by the Leadership Council to handle presbytery funds or assets, shall be bonded at the expense of the presbytery in amounts to be determined by the Presbytery Trustees.
4. Budget Administration
- A. Deposits, excluding investments covered under Section 1.08, shall be kept in federally insured financial institutions in appropriate checking and investment accounts. All funds received by mail shall be recorded by the Office Manager and deposited by the Bookkeeper in consultation with the Treasurer.
 - B. All checks shall normally be written in the presbytery office, except when otherwise authorized by the Presbytery Trustees. The Trustees shall determine who shall be authorized to sign checks. All checks over \$2,500.00 with the exception of payroll, will require two authorized signatures.
 - C. Every committee and program of the presbytery will spend no more than its total budget, plus “pass through” income, escrow and carryover accounts identified for a committee or program, in a given year. If a committee or program finds it necessary to exceed its budget, the committee or program shall submit a written proposal to the Leadership Council for approval prior to expending any funds. The Leadership Council shall consult with the Presbytery Trustees on such requests.

5. Purchases

Expenditures in excess of \$2,500.00 for office equipment, or any other items that become property of the presbytery, must have prior approval by the Trustees.

6. Financial Statements

- A. The Treasurer of the presbytery shall provide to the Leadership Council monthly reports of all income, expenditures, holdings, assets and liabilities.
- B. Financial reviews, prepared by a Certified Public Accountant, shall be provided to the presbytery annually, not later than the September Stated Meeting, showing the operations for the prior year and the status of all the accounts as of the end of the prior year. (approved 11/24)
- C. The Executive Presbyter (or her/his designee) shall receive the bank statement unopened from the bank and shall review all cancelled checks to determine that no unusual or unauthorized checks have been cashed.
- D. Designated gifts shall be accounted for separately. Any unspent gifts at the end of the fiscal year will remain separate from the General Fund and shall not be used for any purpose other than that which has been designated.

7. Voucher Approval

- A. No check shall be issued without a signed voucher.
- B. Vouchers may be approved by the presbytery committee chair, the written action of the committee, or the Executive Presbyter.
- C. The Executive Presbyter or Stated Clerk may not sign vouchers approving the issuance of check exceeding \$2,500.00 unless authorized by the Leadership Council.
- D. The Executive Presbyter, Stated Clerk and the Treasurer are authorized to approve vouchers related to payroll, utilities, insurance, Board of Pension dues, rent and routine items that are required to operate the presbytery.

Section 1.09: Investment Policy

I. INTRODUCTION

This Investment Policy Statement (IPS) outlines the investment goals of the Presbytery of the Miami Valley (PMV). The Presbytery Trustees (Trustees) are responsible for investment management oversight. The Trustees will be responsible for the selection of Investment Consultant(s). The Trustees will also be responsible for the ongoing, periodic review of investment performance and adherence to the IPS. This document is intended to provide guidelines for the Trustees and Investment Consultant(s).

The Trustees at their sole discretion may delegate investment management oversight to a separate Taskforce. Should a Taskforce be formed, its written charter will be approved by the Trustees.

II. PURPOSE

The purpose of invested funds is to further the mission of the PMV – to prepare, equip, nurture, and connect congregations in their ministries for God’s mission. In fulfilling this purpose, the PMV intends that I Timothy 6:17-29 will provide insight and guidance:

“Instruct those who are rich in this world’s goods not to be proud, and not to fix their hopes on so uncertain a thing as money, but upon God, who endows us richly with all things to enjoy. Tell them to do good and to grow rich in noble actions, to be ready to give away and to share, and so acquire a treasure which will form a good foundation for the future. Thus, they will grasp the life which is life indeed.”

Invested funds are to be managed to support the current and future needs of the PMV. The PMV will follow a sound long-term investment policy, which balances short-term spending needs with preservation of the real (inflation-adjusted) value of the invested funds.

The Trustees are responsible for the stewardship and investment of the financial resources of the PMV to provide funds to further its mission both now and into the future. The Trustees recognize that financial resources of the PMV have been given to advance the mission and that the Trustees hold a fiduciary duty to steward those resources to fulfill the donors’ intentions both now and into the future.

The purpose of the IPS is to set forth the standards and guidelines governing the investment and management of the PMV’s investment portfolios. The IPS provides a set of general guidelines that will permit the PMV to oversee the investment of assets. The guidelines and objectives contained herein are broad in scope; more detailed information may be required for designated accounts with specific needs.

The IPS will be reviewed at least every two years by the Trustees to ensure that it adequately reflects the current needs of the PMV. The IPS shall remain in force until it may be amended and approved by the Trustees.

III. DISTINCTION OF RESPONSIBILITIES

1. Trustees: The Trustees have the ultimate fiduciary responsibility for the investment portfolio. The Trustees must ensure that appropriate policies governing the management of the invested funds are in place and that these

policies are being effectively implemented. The Trustees are responsible for approving and implementing investment policies, monitoring compliance with them, and reporting to the Leadership Council. This responsibility includes approving investment strategy, hiring and dismissing Investment Consultant(s), monitoring performance of the investment portfolio on a regular basis (at least annually), and maintaining sufficient knowledge about the portfolio and its advisors to be reasonably assured of their compliance with this IPS.

2. Treasurer of Presbytery: The Treasurer has responsibility for administration of the Presbytery's investment portfolio and, within the investment policies outlined, consults with the Trustees on all major and/or policy matters relating to the investment of the Presbytery's portfolio. The Treasurer is delegated the authority to vote any proxies received from the Investment Consultant(s). The Treasurer will serve as primary contact for the Presbytery's Investment Consultant(s).
3. Investment Consultant(s): The Investment Consultant(s) is/are responsible for assisting the Trustees in managing and overseeing the Presbytery's investment portfolio. On an ongoing basis the Investment Consultant(s) will:
 - Provide the Treasurer with quarterly performance reports within 30 days following each calendar quarter;
 - Meet with the Trustees annually, in person or by video conference, and as needed;
 - Monitor the activities of each investment fund;
 - Supply the Treasurer with other reports or information as reasonably requested;
 - Monitor and Report to Trustees regarding Portfolio Compliance with Section VIII – Asset Allocation

IV. INVESTMENT OBJECTIVES

1. Time Horizon: It is intended that the investment objectives stated below (Section IV-2) will be achieved by the Investment Consultant(s) over a 5-year moving period, net of investment management fees and transaction costs. However, the Trustees reserve the right to evaluate and make any necessary changes regarding the investment objectives over a shorter-term basis if deemed necessary.
2. Strategy: It is assumed that investing in securities with higher return expectations outweighs their short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities. (Section VIII) Fixed income securities will be used to reduce the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio but is a residual to the investment process and used to meet short-term liquidity needs. The long-term target rate of return expectation for the portfolio is 7% on an annualized basis over a five-year time horizon, net of investment management fees and

transaction costs. As stated above, the Trustees may adjust this target, but keeping the target at least two percentage points above the distribution rate (See Section IX) is necessary to protect the purchasing power of the portfolio from the impact of inflation.

3. General Performance Objectives: The primary objectives for the investment of the Presbytery's assets will be to generate sufficient long-term growth of capital, without undue exposure to risk, to provide a sustainable level of spending distributions, as well as enhance the real (adjusted for inflation) purchasing power of the investments. The priority should be total return in a risk-averse philosophy with consistency in investment performance. The objectives below shall be accomplished utilizing a balanced strategy of equities and fixed income based upon a mix which is intended to provide for real growth, net of inflation and investment fees.
 - A. Liquidity: Investments in Cash accounts shall be available upon request and in conjunction with other operating policies.
 - B. Asset Preservation: To preserve and enhance the real purchasing power of the assets over time.
 - C. Income: To provide a predictable source of annual income to the PMV for future distribution, as the Trustees deem reasonable, providing predictable contributions to the annual budget.
 - D. Growth: The objective of this portion of the investment portfolio is long-term appreciation. It is assumed that some assets in this portion of the investment portfolio will include equities (Section VIII). The assumed risk, defined as volatility of the underlying assets, is higher for this portion of the investment portfolio.

Performance will be monitored on a regular basis and reported according to Section III - 3. The performance of the assets that comprise the investment portfolio will be measured by an index recommended by the Investment Consultant(s) and agreed to by the Trustees. See Section VIII.

V. INVESTMENT GUIDELINES

1. Fiduciary Duty: In seeking to attain the investment objectives set forth below, the Trustees shall exercise prudence and appropriate care in accordance with the Prudent Investor Rule which requires a fiduciary to act in the best interest of the beneficiaries. All investment actions and decisions must be based solely in the interest of the PMV. Fiduciaries must provide full and fair disclosure of all material facts regarding any potential conflicts of interests.
2. Operating Reserve Funds: The use and amount of Operating Reserve Funds falls under a separate PMV policy. However, the investment of the Operating Reserve Fund assets falls under this IPS. Operating reserve assets shall be

invested with the objective of preserving assets to cover operating expenses and realizing earnings in a way that allows for immediate liquidity to meet the PMV's ongoing and operational needs. Operating reserve assets may be invested in the following investment category (defined in Section VI): **Cash**

3. Invested Funds: The Invested Funds of the PMV are a co-mingled "fund of funds." The Invested funds shall be invested with the objective of preserving the long-term real purchasing power of the Funds' assets while realizing appropriate investment income. Invested Fund assets may be invested in the following investment categories (defined in Section VI): **Cash, Fixed Income Investments, Equity Investments, Publicly Traded Mutual Funds and Exchange Traded Funds**
4. The Trustees encourage bequests and gifts to the Invested Funds without use restrictions (the "Unrestricted Invested Funds"). Unrestricted Invested Funds will be used to support all aspects of the PMV's mission both now and in the future. However, the Trustees recognize that a donor desiring to make a bequest or gift to the Invested Funds may have special interests to be supported by such contribution. See Gift Acceptance Policy.

Invested funds will fall into three categories:

- Unrestricted: These funds are free from any external restrictions and are available for general use. The PMV's intent is to draw a percentage of the invested funds annually to support ongoing operations. However, both principal investments and income can be withdrawn, up to 100% of the fund balance. See Section IX, Spending Policy, for details on drawing funds.
- Temporarily Restricted – These funds can have donor restrictions that may be satisfied by the passage of time (time restriction) or by performing defined activities (purpose restriction). These funds may also be Trustee restricted by the PMV Trustees for a specific purpose. The Trustees, at their discretion, may reverse their previous restriction.
- Permanently Restricted: These funds are restricted by the donor for a time restriction or designated purpose that will never expire. The intent is that the original principal balance of the contribution will remain as an investment forever and the PMV may use the interest and investment returns. A Permanently Restricted fund is also called an Endowment and may be invested separately from Unrestricted and Temporarily Restricted funds for ease of tracking.

VI. INVESTMENT CATEGORIES AND ELIGIBLE INVESTMENTS

Securities held in the investment portfolio will be limited to investments conforming to the asset classes and parameters described in this section. The assets of the investment portfolio cannot be invested in any asset class not included in this section.

1. Cash: Cash investments should be short-term money market funds or money market instruments that would mature in not more than one year. Money market funds should be in FDIC or SIPC insured deposit accounts.
2. Fixed Income Investments: Fixed Income Investments shall be invested utilizing principally an income investment strategy. The average credit quality of the bonds held in this portion of the fixed income portfolio shall be rated investment grade or higher. Maturities of the portfolio should generally be of short to intermediate length but may emphasize shorter or longer maturities depending on yield differentials.
3. Equity Investments: The Equity portion may be diversified among Large-Cap, Mid-Cap, Small-Cap and International as well as with the Value and Growth styles. International investments are also permitted in the equity portion of the portfolio only.
4. Publicly Traded Mutual Funds and Exchange Traded Funds: Publicly traded mutual funds and exchange traded funds may be used to carry out the target asset allocation for the investment portfolio's holdings. All funds selected should be well-diversified, offer Institutional Class shares, and provide net asset valuations published daily.
5. Mission Constraints: The PMV Trustees may elect to invest in companies whose business conduct is consistent with its mission, goals, and beliefs.

VII. RISK TOLERANCE

The PMV recognizes that seeking higher returns generally requires a higher tolerance for risk and greater volatility of investment assets. The PMV seeks to maximize returns while addressing the investment portfolio targets set forth in Section IV – 2.

VIII. ASSET ALLOCATION

This section pertains to assets and funds that can be invested outside of the guidelines for Operating Reserve Funds which must be in Cash (Section VI -1).

The goal of asset allocation is to reduce risk through diversification by having exposure to a variety of investments that are expected to perform differently during various market conditions. Asset allocation is also used to align an investment portfolio's holdings with the PMV's objectives.

The Trustees have outlined the PMV's asset allocation strategy in the table below. This strategy provides for a Target Allocation of the investment portfolio and allows for an Acceptable Allocation Range to accommodate periodic inflows and outflows into the investment portfolio that occur in the normal business operations as well as fluctuations that may occur in the market.

The Trustees recognize that no guarantees can be provided regarding the future performance of the investment portfolio, and the IPS shall not be construed as offering such a guarantee.

Allocation Policy

Asset Category	Allocation	Target Allocation	Benchmark
Cash	1-5%	5%	Money Market Return
Fixed Income	30-50%	40%	Barclays Agg. Govt./Credit
Core Bonds	10-40%	35%	
High-Yield Bonds	0-10%	5%	
Equities	50-70%	55%	S&P 500
Large-Caps	20-30%	30%	
Mid-Caps	0-20%	10%	
Small-Caps	0-15%	10%	
International	0-10%	5%	MSCI EAFE

Note: Ranges in target allocation column total to the percentages within each main Asset Category. In the allocation column, the minimum and maximum ranges are shown.

Adjustment to Target Allocations: From time to time, market conditions may cause the investment portfolio's investments to vary from the established target allocations. To remain consistent with the asset allocation guidelines established by this IPS, each broad asset class in which the investment portfolio invests shall be reviewed by the Trustees in consultation with the Investment Consultant(s) for potential rebalancing back to target allocations. The Trustees and Investment Consultant(s) retain the option to not rebalance the investment portfolio back to target allocations based on market conditions, economic events or account activity unless expressly disallowed within this IPS.

IX. SPENDING POLICY

The amount to be spent in the next budget year is calculated by June 30th of the current year and is reviewed and approved by the Trustees at a regularly scheduled meeting. The calculation is based on a 12-quarter average (ending of December 31st of the previous year) of the market value of the total fund, multiplied by a percentage specified by the Trustees. The Trustee's target is to spend no greater than **5%** of the 12-quarter average each budget year but the Trustees have full authority to designate a percentage higher than **5%**. The Trustees will gain approval from the Presbytery (at a regularly scheduled Presbytery meeting in the third quarter of each year) for the proposed distribution amount from the invested funds for the next Budget year. Distributions will be made from the total return of the portfolio, including interest,

dividends and realized gains. Interest and dividends payments will be reinvested as they are earned.

X. OR RESTRICTED ASSETS

Should the PMV enter into legal and/or financial arrangements where certain investments are required to be pledged or restricted, such assets will be invested and managed in accordance with the terms/provisions of the governing agreement(s). Where such agreements are silent as to the management of specific assets and/or investment strategy (such as a blanket lien or pledge on assets), such investments shall be managed in accordance with this IPS.

XI. PROHIBITED INVESTMENTS AND TRANSACTIONS

Unless the Trustees give written approval, the following prohibited transactions and restrictions are in effect:

1. Short-selling and the purchase of securities on margin
2. Direct investment in commodities
3. Direct investment in oil, gas or natural resource properties or other mineral rights
4. Warrants, options, or futures contracts
5. Hedge funds
6. Private equity and/or venture capital investments
7. Non-marketable investments such as limited partnerships
8. Crypto-currencies
9. Federally prohibited businesses

See also PMV Gift Acceptance Policy.

XII. EVALUATION AND REVIEW

The objective of the evaluation and review process is to monitor the performance of Investment Consultant(s) in achieving the investment objectives as outlined in this IPS. Performance will be measured and reviewed by the Trustees. With a view toward one-year, three-year and five-year performance horizons, the Investment Consultant(s) will review and report to the Trustees no less than annually as follows:

1. The investment portfolio's performance relative to stated objectives;
2. The investment portfolio's performance relative to recognized market indices;
3. Adherence to the IPS objectives by the Investment Consultant(s); and
4. Operational and service-related performance of the Investment Consultant(s).

The Investment Consultant(s) will be reviewed on an ongoing basis and will be evaluated based upon the following additional criteria:

1. Ability to exceed the performance objectives stated in this Investment Policy Statement.
2. Adherence to the philosophy and style that were articulated to the Trustees at, or after the time the Investment Consultant(s) was retained.
3. Continuity of personnel and practices at the firm.

XIII. AMENDMENT

The Trustees may from time to time amend these policies for the Invested Funds by the majority vote of the members of the Trustees present at a duly called meeting; provided, however, no amendment may alter the use of Invested Funds which are subject to a donor restriction without the unanimous vote of the members of the Trustees present; provided, further, no amendment shall authorize the Trustees to use all or any part of the Invested Funds in any manner or for any purpose contrary to the Book of Order of the Presbyterian Church U.S.A. (adopted Nov. 2024)

Section 1.10: Staff Support

The Executive Presbyter and Treasurer of the presbytery shall serve as staff support without vote.

Section 1.11: Gift Acceptance Policy

V. INTRODUCTION

Presbytery of the Miami Valley (“PMV”) accepts gifts, memorials and grants for purposes that will help further and fulfill its mission – to prepare, equip, nurture, and connect congregations in their ministries for God’s mission.

VI. PURPOSE

The purpose of the Gift Acceptance Policy is to establish terms for the acceptance of gifts by PMV and to provide guidance to prospective donors and their advisors when making gifts to PMV. The provisions of this policy shall apply to all gifts received by PMV. This policy will also serve as a guideline to PMV staff and volunteers involved with accepting gifts and outside consultants and advisors who assist in the gift planning process. This policy allows for limited flexibility on a case-by-case basis. This policy will be reviewed at least biennially by the Trustees to ensure that it adequately reflects the current needs of PMV.

VII. DONORS’ USE OF PROFESSIONAL ADVISORS

The Presbytery of the Miami Valley urges all donors and prospective donors to seek the assistance and advice of independent personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

VIII. PMV's USE OF PROFESSIONAL ADVISORS

PMV may seek the advice of advisors in matters relating to acceptance of gifts when appropriate. If, ultimately, the subject gift is accepted by PMV, the costs associated with the PMV advisor will be charged against the accepted gift.

IX. GIFT ACCEPTANCE REVIEW PROCESS

From time to time, review and determination must be made as to acceptance of gifts made under the policy. Determinations as to acceptance of routine small cash gifts may be made by the Executive Presbyter ("EP"). In cases where further review and determination is needed under this policy, the EP will work in consultation with the Trustees and Treasurer to make a final determination.

Presbytery of the Miami Valley will not accept gifts that:

- would result in the violation of corporate charters or bylaws;
- would result in PMV losing its status as a not-for-profit organization;
- are too difficult (due to donor restrictions) or too expensive to administer in relation to their value;
- would result in any unacceptable consequences for PMV;
- are for purposes outside PMV's mission; or
- are deemed to be overly restrictive (see below "Restricted Gifts").

X. GIFTS GENERALLY ACCEPTED WITHOUT REVIEW

The following gifts to PMV are generally accepted without review:

Cash: Cash gifts are acceptable in any form, including by check, money order, credit card, or online.

Marketable Securities: Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by the Trustees after consultation with investment advisors. In some cases, marketable securities may be restricted, for example by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Trustees.

Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans: Donors are encouraged to make bequests

to PMV in their wills, and to name the Presbytery as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.

Charitable Remainder Trusts: The Organization will accept designation as a remainder beneficiary of charitable remainder trusts.

Charitable Lead Trusts: The Organization will accept designation as an income beneficiary of charitable lead trusts.

XI. GIFTS SUBJECT TO REVIEW BEFORE ACCEPTANCE

Certain forms of gifts or donated properties may be subject to review prior to acceptance.

Examples of gifts subject to prior review include, but are not limited to:

Closely-Held Securities:

Closely-held securities include debt and equity issues of C and S corporations as well as of limited liability companies and limited partnerships. Such gifts must be reviewed for valuation and marketability prior to acceptance. Evaluation criteria used will include if there is a readily available market for security disposition, acceptance of such securities will not create any potential liability to the organization, and the closely held entity does not engage in activities that would be inconsistent with PMV's objectives. Even then, the Executive Presbyter and the Trustees may still decline the gift due to the uncertainties of marketability.

All Named and/or Donor Restricted Funds: PMV encourages donations to be unrestricted and unnamed. If, however, the donor wishes to have a named or restricted fund, the donor will be informed that a separate account will be established within the PMV accounting system, but the funds will be invested with all other PMV invested funds and subjected to the risks of the market. The "named" fund will be subject to the annual percentage draw established in the investment policy statement (IPS). The recommended minimum initial value of a named fund is \$50,000. Exceptions may be considered by the Trustees. If donor has other desires, the Trustees can consider recommending a true endowment be established with the Presbyterian Foundation (or other similar entity) which can direct the income to be sent to the PMV.

Tangible Personal Property: The Trustees shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations: does the property further PMV's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which PMV may be responsible? Is the title/provenance of the property clear?

Life Insurance: PMV will accept gifts of life insurance where PMV is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

PMV will not agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. In addition, no insurance products may be endorsed for use in funding gifts to PMV. In no event shall lists of PMV's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donor or PMV. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject PMV to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

Other Property:

Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by further action of the Trustees or persons duly acting on its behalf.

Real Estate:

- All gifts of real estate are subject to review by the Trustees before acceptance. Real estate gifts will be accepted based upon projected financial benefit to PMV to include projected sales price, anticipated time to sell the property, financial encumbrances, and any impairment associated with the property.
- The donor is responsible for obtaining an appraisal of the property. The cost of the appraisal is borne by the donor.
- Prior to presentation to the Trustees, a member of PMV must conduct a visual inspection of the property. A qualified real estate broker may be substituted for a member of the staff in conducting the visual inspection.
- Due to the time and expense associated with gifts of real estate, only gifts with an estimated value in excess of \$100,000 will be accepted. Exceptions may be considered by the Trustees.
- Prior to presentation to the Trustees, the donor must provide the following documents:
 - Property deed
 - Property tax bill
 - Property title report
 - Property ALTA survey
 - Site plans or any other development studies prepared on the property
 - Any existing leases or agreements encumbering the property, including listing agreements with real estate brokers
 - Current property zoning
 - Phase I Environmental Assessment conducted by a qualified environmental consultant
 - Property appraisal

XII. RESTRICTED GIFTS

PMV will not accept gifts deemed as overly restrictive. Overly restrictive gifts include, but are not limited to, gifts that are inconsistent with PMV's mission, gifts that place undue burdens on PMV, as well as gifts that violate the terms of any of PMV's formation or governance documents.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Trustees in consultation with the Executive Presbyter.

XIII. REPORTING

Each gift considered under this policy, whether accepted or not, will be reported to the Leadership Council at its next regularly scheduled meeting.

XIV. TIME LIMITATIONS

The Trustees should consider the long-term consequences of proposed donor restrictions, particularly as the gift relates to the mission of PMV. Time limits may be placed on the restricted gift after which time any unused money in the restricted account will become available fund specified by Trustees. (adopted Nov. 2024)

Section 1.12: Operating Reserve Policy

I. PURPOSE

The purpose of the Operating Reserve Policy of the Presbytery of the Miami Valley (PMV) is to build and maintain an adequate level of net assets without donor restrictions to support PMV's day-to-day operations in the event of unforeseen shortfalls. Operating reserves are not intended to replace a permanent loss of revenue or eliminate an ongoing budget gap. PMV intends for the operating reserves to be used and replenished within a reasonable period of time. This Operating Reserve Policy will be implemented in conjunction with other PMV financial policies and is intended to support the goals and strategies contained in those related policies and in strategic and operational plans.

II. DEFINITION AND GOALS

The Operating Reserve Fund is defined as the designated fund set aside by action of the Presbytery Trustees ("**Trustees**"). The minimum amount to be designated as operating reserves will be established at an amount equal to 25% of the preceding fiscal year's expenses as defined by the Trustees.

The operating reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes and the Trustees can set different minimum funding amounts based on ongoing operations and budgets.

III. ACCOUNTING FOR RESERVES

The Operating Reserve Fund will be recorded in the accounting system and financial statements as a Trustees Designated Operating Reserve. The Operating Reserve Fund will be funded and

available in cash or cash equivalents. Operating reserves will be maintained in a segregated account in accordance with the Investment Policy Statement (IPS).

IV. FUNDING OF RESERVES

The Operating Reserve Fund will be funded with surplus funds that do not have donor restrictions. The Trustees, from time to time, may direct that a specific source of revenue be set aside for operating reserves. Examples may include one-time gifts or bequests, property sales, special grants, or special appeals.

V. AUTHORITY TO USE OPERATING RESERVES

The Executive Presbyter and Treasurer will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. Determination of need requires analysis of the sufficiency of the current level of reserve funds, the availability of any other sources of funds before using reserves and evaluation of the time period for which the funds will be required and replenished.

Authority for the use of operating reserves is delegated to the EP in consultation with the Treasurer and President of the Trustees. The use of operating reserves will be reported to the Trustees at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds, and plans for replenishment to restore the Operating Reserve Fund to the target minimum amount. The EP must receive prior approval from the Trustees if the operating reserves will take longer than three months to replenish.

VI. REPORTING AND MONITORING

The EP and Treasurer are responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in the Policy. Upon approval of the use of operating reserve funds, the EP and Treasurer will maintain records of the use of funds and plan for replenishment and will provide regular reports to the Trustees of Operating Reserve funding levels and of progress to restore the fund to the target minimum amount.

VII. REVIEW OF POLICY

This Policy will be reviewed by the Trustees biennially, or more frequently if warranted by events or changes. (adopted Nov. 2024)

Section 1.13: Record Retention and Destruction Policy

I. Policy

This policy provides for the systematic review, retention and destruction of records received or created by the Presbytery of the Miami Valley (“Presbytery”) in connection with the transaction of business. This policy covers all records, regardless of physical form, contains guidelines for how long certain records should be kept and how records should be destroyed.

II. Administration

Attached as Appendix A is a Record Retention Schedule that is approved as the initial maintenance, retention, and disposal schedule for physical records of the Presbytery and the retention and disposal of electronic documents. The Executive Presbyter (the “**Administrator**”) is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed.

The Administrator is also authorized to

- make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state, and federal laws and includes the appropriate document and record categories for the Presbytery;
- monitor local, state, and federal laws affecting record retention;
- annually review the record retention and disposal program; and
- monitor compliance with this Policy.

II. Suspension of Record Disposal in Event of Litigation or Claims

In the event the Presbytery is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning the Presbytery or may reasonably be aware of any anticipated litigation against or concerning the Presbytery, such employee shall inform the Administrator and any further disposal of documents shall be suspended until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

III. Applicability

This Policy applies to all physical and electronic documents and records generated in the course of the Presbytery’s operation, including both original documents and reproductions.

The Presbytery will follow the document retention procedures outlined in this policy. Documents that are not listed, but are substantially similar to those listed in Appendix A will be retained for the appropriate length of time. (adopted Nov. 2024)

(End of Article I)

ARTICLE II PRACTICE

Section 2.01: Schedule of Meetings

Meetings shall be held at least quarterly at times determined by the Presbytery Trustees at the beginning of the year. In general, meetings shall be scheduled to occur prior to meetings of the Leadership Council or presbytery in order that there be proper time for actions to be taken. The Presbytery Trustees may meet in special session as needed. All actions taken by the Presbytery Trustees shall be reported at the next meeting of the Leadership Council.

Section 2.02: Minutes

The Presbytery Trustees shall appoint one of their members to serve as secretary to record minutes at meetings.

Section 2.03: Committees

The Presbytery Trustees may appoint committees to carry out various tasks as necessary.

Section 2.04: Conflicts of Interest

No member of the Presbytery Trustees may take action on any matter which directly impacts his or her specific congregation. Should this recusal result in the absence of a voting quorum, action of such matters shall be referred to the Leadership Council.

(End of Article II)

(End of Presbytery Trustees Policy and Practice)