

Presbytery of Des Moines

Living Legacy Fund Policies

Statement of Purpose:

The Presbytery of Des Moines established the Living Legacy Fund to empower and support the churches of the Presbytery in growing the mission of the Church of Jesus Christ. The Living Legacy Fund has been built upon the proceeds of the sale of church properties within the Presbytery and with donations directly to the Fund. The Fund therefore is intended to be managed to grow and continue in perpetuity and used to grow and expand the mission of the Church of Jesus Christ through the Presbytery of Des Moines.

This policy is to provide guidelines on the investment of financial assets of the Presbytery and the use of income from them.

Use of Funds

For definition purposes, the term “investment” means any financial asset owned by the Presbytery of Des Moines that is not cash deposited with a FDIC insured institution (including Certificates of Deposit) or Money Market funds with assets guaranteed by the U.S. government.

1. All investments will be held in accounts with institutions recommended by the Committee on Living Legacy Fund and approved by the Leadership Council.
2. The Presbytery accepts a moderate level of investment risk. This precludes investments in high risk securities. This requires a balance asset allocation strategy to diversify risk.
3. The Committee on Living Legacy Fund is responsible to review investment performance, risk, and advisor performance annually (after receipt of the annual statement from the Investment Advisor) and make recommendations for changes to the Leadership Council.
4. The spending formula for availability of funds will be 5% of the average balance of the funds over 12 quarters, with an 18-month lag. The first grant allocations will begin no sooner than one year after the funds are invested.

The Committee on Living Legacy Fund was established to determine the use of funds and the most efficient management of the funds to ensure the Fund continues in perpetuity. The investment of long-term funds shall be in such a manner as to stress long-term total return (income and capital gains) that is consistent with a moderate amount of short-term risk of principal.

Long-term funds shall be accumulated unless granted through the process provided.

The Bookkeeper or Executive Presbyter will report (as soon as practical after the beginning of the year) to the Committee on Living Legacy Fund and the entity authorized to approve expenditures on the amount authorized to be spent in the calendar year.

Responsibilities for the Funds

The Committee on Living Legacy Fund will oversee the assets of the Fund, new donations to the fund and the distribution of funds. The Committee will manage the fund to conserve capital while obtaining returns that will enable the granting of funds to support requests using established criteria. With the exception of the funds determined to be used for granting purposes all dividends, interest and gains in the Funds accounts are automatically reinvested.

The Committee will use a formula that calculates average return on investment over a three-year period to determine the funds available for request for the budget year, at an average of 5% (except where otherwise specified). Long-term funds are ordinarily of a nature that the principal amount is intended to be maintained at least five years and either only earnings will be spent, or the earnings will accumulate for some purpose that is in the unforeseeable future.

Management of the Account

The principal of the fund will be managed by the Presbyterian Foundation of the Presbyterian Church, (U.S.A.).

The Living Legacy Fund Committee will be responsible for the designation of assets in the New Covenant Funds.

The fund accounts/categories are as follows:

Presbytery Reserve Fund (\$250,000 or 12.5% of funds invested)

The Presbytery Reserve Fund will maintain at least a balance equivalent to 180 days of the annual presbytery budget. This fund needs to be available upon 48-hour notice in case of shortfalls in presbytery cash to fund the budget. It will be available on request of the Committee on Budget and Finance.

Church Development Fund (25% of invested funds)

The committee recommends all funds in this category be merged as the Church Development Fund:

1. McCahon Fund – income from this fund is to be used to make grants to churches under 150 members for one-time needs. (balance 4-30-2019 – \$62,056.53)
2. Albia/Pitzer Fund – to be used for the assistance of small churches in the Presbytery. (balance 4-30-2019 – \$27,608.28)
3. Colfax Fund – the income from this fund is to be used for church development with interest to be placed in the Colfax Fund Money Market. (balance 4-30-2019 – \$31,994.88)
4. The Church Development Fund – the income from this fund is intended for use in developing new churches or redevelopment of existing churches.

Leadership Development Funds (10% of invested funds)

1. Swan Fund – income from this fund will be used to assist seminary students upon recommendation of the Committee on Preparation. (balance 4-30-2019 – \$31,994.88)
2. The Leadership Development Fund – the income from this fund is to be used to provide for leadership training events in the presbytery.
3. Knox Knolls-Camping Fund – 6% of the corpus of this fund shall be available to the Committee on Camping and Youth Ministries to disburse for camping and youth programming. (balance 4-30-2019 – \$407,913.19)
4. Walther Fund – the income from this fund is to be used for scholarship aid for physical or mentally challenged youth and/or children in need and will be disbursed by the Committee on Camping and Youth Ministries. (balance 4-30-2019 – \$30,339.17)

Mission Development Funds (25% of invested funds)

The Mission Development Fund – the income from this fund is available to churches, presbytery committees or Presbyterian Mission Organizations to start new mission projects or plan mission work trips.

New Church Development Fund (7.5% of invested funds)

The New Church Development Fund – the fund is available to the New Church Development Committee with the approval of the Presbytery of Des Moines for use in starting new worshiping communities. Guidelines for this fund to be developed by the Committee on New Church Development and approved by the presbytery.

Procedure for the Request of Funds

1. Funds may be requested through an application process established by the Committee on Living Legacy Fund. Application may be made by the session of a local congregation, board of a mission project, a committee of the presbytery, seminary student and/or teaching elder through the appropriate committee.
2. Each application will establish the limit for funds to be requested.
3. Normally application for funds will be for one time only per project.

Review

The Committee on Living Legacy Fund will review this policy at their first meeting of every even-numbered year. A recommendation for any changes or for confirmation of the policy without changes will be made to the Leadership Council and reported to the presbytery at its next regular meeting.

Procedures for Soliciting, Receiving and Acknowledging Gifts

The Living Legacy Fund may receive donations with restrictions from individuals or churches within the Presbytery.

1. The Committee on Living Legacy Fund will develop a strategy for promoting the Living Legacy Fund within the bounds of the Presbytery of Des Moines. This might include but not be limited by some of the following:
 - a. Developing and sending promotional materials to the churches in the presbytery.
 - b. Promoting the Living Legacy Fund as a possible recipient of the Wills Emphasis Program.
 - c. The Committee on Living Legacy Fund might meet with individual donors or sessions to explain the options available.
 - d. Unrestricted donations are always preferred in the interest of administering funds more effectively.
 - e. Donations below \$10,000 are not eligible for separate-account treatment.

Approved November 2019