FIRST PRESBYTERIAN CHURCH OF LA GRANDE
FUND STRUCTURE
(Revised 3-16-2023)

INTRODUCTION

Coming from a variety of backgrounds, trades and experiences, lay persons simply cannot be expected to competently manage large sums of money in the long term. Such a task can place an unreasonable burden on the Trustees vested with such decisions. Without sufficient defined direction for the Trustees to follow, donors may not entrust their assets to First Presbyterian Church (the Church) and many Church members may refuse the position of Trustee. Accordingly, there is a need to give direction to the Trustees and to retain the services of professional money managers. This document is the basis for establishing a fund structure to provide for continued competence in management of assets entrusted to First Presbyterian Church of La Grande.

The Trustees shall have the following powers: to receive, hold, encumber, manage, and transfer property, real or personal, for the congregation, provided that in buying, selling, and mortgaging real property, the Trustees shall act only after the approval of the congregation, granted in a duly constituted meeting; to accept and execute deeds of title to such property; to hold and defend title to such property; to manage any permanent special funds for the furtherance of the purposes of the congregation, all subject to the authority of the Session and under the provisions of the Constitution of the Presbyterian Church (U.S.A.). The powers and duties of the Trustees shall not infringe upon the powers and duties of the Session or the Board of Deacons. (G-4.0101 Book of Order 2-15-17).

The objectives of this policy are 1) to identify the framework of Church fund types, 2) to provide financial reporting requirements and oversight, and 3) to provide investment guidelines. In this regard, the Church needs to share this fund structure with all Church members, friends of the Church, C.P.A.s, attorneys, wealth managers, insurance agents and other estate planners to enable the donor in selecting the proper fund(s) to meet their designated or undesignated intent when planning the use of their gifts and bequests. The opportunity to create or add to permanent or spendable Trust funds will encourage major estate planning gifts and bequests to our Church. It is important assets received be managed and utilized in a competent manner.

DEFINITIONS

Objective: The objective of establishing this "Fund Structure" is to provide a mechanism for the Church family and others to include the First Presbyterian Church of La Grande in their gift and estate planning goals with confidence and understanding gifts and bequests will be managed in a competent manner and used for the donor's intended purpose or purposes.

Type and Kind of Gifts or Bequests: The Church welcomes all types and kinds of gifts and bequests including, but not limited to, cash, stocks, bonds, precious metals or gems, real property, life insurance, automobiles, boats, and farm commodities (such as grain, cattle, sheep, horses or any other asset). It is

Church policy all assets received will be liquidated and invested in accordance with this fund structure soon as economically possible, unless otherwise designated by the donor.

Investment: The principles of liquidity, security risk factor and growth will be considered for each type of fund. Allowable investments include federal instruments, federally insured instruments and accounts, Presbyterian Church Foundation, and the Oregon Community Foundation.

Financial Reporting Requirements and Oversight:

The General Fund is required to be maintained on a cash basis using a double entry set of accounts. Financial statements will be prepared monthly utilizing a calendar year end, monitored by the Church Treasurer before release. It will include comparison with the calendar year budget approved by Trustees and Session. Oversight vests in each Trustee, each member of Session, the Church Pastor and the Church Treasurer. Each will receive this financial statement monthly either digitally or hard copy, based on each person's request.

Assets of all other funds will be reported quarterly by the Church Treasurer. These funds are subject to the Church's annual budget process and are governed by the fund's written direction (a trust document), historic agreement (the Manse Fund cannot be spent below $50,000), the fund's unwritten direction (the specific sub-fund categories within the Gifts and Memorials Fund) or guidance by Session's goals and objectives. Oversight vests in each Trustee, each member of Session, the Church Pastor and the Church Treasurer. Each will receive this financial statement quarterly either digitally or hard copy, based on each person's request.

The Treasurer will prepare the annual report each year which will include all funds and be prepared on the accrual basis of accounting. Oversight vests in each Trustee, each member of Session, the Church Pastor and the Church Treasurer. Each will receive a copy of the annual report either digitally or hard copy, based on each person's request.

Transparency is essential to the oversight function. To enable full transparency, any Church congregation member is entitled to any financial statement at their request. Any questions the Church congregation member may have will be answered promptly after their request is received by a congregation member having the duty of oversight. Opportunity for congregation input will always be available.

Church financial statements are confidential to congregation members of the Church and the Presbytery. Release outside of membership and the Presbytery requires approval by Session.

Fund Structure (Type of Funds):

General Fund: This fund accounts for the annual operation and program budget of the Church. Major sources of revenue are tithes and offerings received on a regular, weekly or periodic basis from pledges and non-pledged income.

Trust Funds: Designated endowments may be of a permanent nature, meaning the corpus is to remain intact and is not spendable, or of a non-permanent nature, meaning the corpus may be spent. When a non-permanent trust fund's balance becomes less than $2,000 for one full Church calendar year, the fund will be liquidated and its remaining assets transferred to the Special Needs Fund.

Existing trust funds may receive additional bequests in any amount providing the donor's intent is the same as the established trust's governing instrument.

New designated endowments must be at least $20,000.00 and include a written designation defining its use in order to be accepted as an additional trust fund for the Church. If the amount is less than $20,000.00, Trustees and Session may consider an exception to this policy. With no exception the donor will be informed the Church will accept the bequest with the understanding the written designation of the donor or the donor's designee will not be honored and the bequest will be added to the Special Needs Fund. This policy is set forth to alleviate many smaller (less than $20,000.00) designation bequests requiring separate management consideration and accounting which increases the burden of management and accounting complexity over time.

Special Needs Fund: This is funded by the receipt of undesignated gifts and bequests. Expenditures from this fund require an equal match from another source and are expended based on projects approved by Session.

Gifts and Memorials Fund: This fund includes designated gifts and memorials to be disbursed within one year. A designated gift/memorial remaining after one year will be transferred to the Special Needs Fund in absence of a specific current expenditure plan to the contrary. "Current" is defined as an expenditure plan to be executed within the next calendar year. Session must approve the transfer to the Special Needs Fund.

Ancillary Funds: These three (3) funds historically have been part of the Church's mission of local outreach. They consist of approximately 1% of the Church's liquid assets and 4% of the Church's annual revenue. This fund structure discourages the creation of additional ancillary funds.

CHURCH CONSOLIDATION, MERGER OR DISSOLUTION

If at any time the First Presbyterian Church of La Grande is lawfully merged or consolidated with any other church, all provisions hereof in respect of the First Presbyterian Church of La Grande shall be deemed in behalf of such merged or consolidated church, which shall be entitled to receive all benefits of the funds, and shall be obligated to administer the same in all respects in accordance with the terms hereof. In the event of dissolution of First Presbyterian Church of the La Grande, the Presbytery of Jurisdiction shall be entitled to the benefits and obligated to administer these funds in similar fashion.

ADOPTION OR AMENDMENT

This fund structure and its concepts must be approved by Session at a regular meeting, and can be amended or changed by majority vote of the entire Session membership, and not otherwise.

The First Presbyterian Church of La Grande, recognizing the need for a structure of asset and resource management with oversight, a framework of Church fund types and investment guidelines to secure further asset development into the future, hereby adopts this "Fund Structure" document.

Approved by vote of the Session on the _____ day of _____, 2023.

FIRST PRESBYTERIAN CHURCH OF LA GRANDE
FUND STRUCTURE

Fund	**Limit**	**Management**
General Fund		
Operation and Maintenance	N/A	Annual Budget
Trust Funds - Note 1		
Permanent (corpus remains intact)	$20,000.	Trust instrument or other written direction Annual Budget
Non-permanent - Note 2 (corpus is spendable)	$20,000.	Trust instrument or other written direction Annual Budget
Special Needs Fund		
100% match required	No minimum	Session's goals & priorities Annual Budget
Gifts & Memorials Fund		
Designated - Note 3 (Undesignated goes to Special Needs Fund)	No minimum	Designated purpose
Ancillary Funds		
Designated to the particular fund	No minimum	Manager of the fund

Note 1: Contribution limits do not apply when a gift or bequest is to an existing trust fund.

Note 2: The fund will be liquidated and remaining balance transferred to the Special Needs Fund when the fund's corpus balance falls below $2,000. for an entire calendar year.

Note 3: A designated gift/memorial remaining after one year, in absence of a specific current expenditure plan, will be transferred to the Special Needs Fund. "Current" is defined as an expenditure plan to be executed within the next calendar year.