

First Presbyterian Church Cedar Falls

Investment Committee Policy

2021

Mission Statement: Church assets are invested with the aim of supporting current needs while growing investments in the long term to provide for an increased level of support in the future. The Investment Committee will invest church assets in index stock and bond funds with moderate risks and rewards. The goal is to payout 4% of the assets annually to the church. The Session will decide how these payouts are used with the proceeds from the Westminster Fund being used to support campus ministry and the proceeds from the Horn Fund being used for scholarships for female students at UNI.

Procedures: The Investment Committee shall meet at least once annually to determine the disbursements and rebalance the portfolio. Disbursements shall be made prior to the annual church budget being finalized so that the funds can be incorporated into the budget or deposited into a dedicated fund. Additional disbursements may be made at the direction of the Session.

The Investment Committee shall make regular reports to the Session on the performance of the assets invested and any changes in investment strategy. The Committee shall assist in filing Form 990 to annually report to the IRS.

Fiduciary Responsibility: The decisions of the Investment Committee shall be solely for the benefit of First Presbyterian Church and not for any personal gain or benefit. Self-dealing, conflict of interest or even the appearance of impropriety must be avoided. Committee members must use the same degree of care, skill and diligence that a prudent person would use in handling financial affairs. In an earlier time, investment committees were guided by “safety” which sacrificed growth and returns for absolutely no risk. The Investment Committee is guided by prudence and diversification to balance risks and rewards with the understanding that this approach does not guarantee positive annual returns but will provide long-term financial benefit to the church.

Approved by Session: January 12, 2021