Peace River Presbytery

Presbyterian Church (USA)

Financial Policies

Procedures *have been placed in an expanded document of procedures and record keeping information,*
were approved by the Finance Committee on March 18, 2026
and are available on request from the Treasurer

Former Version of Financial Policies
Approved by Peace River Presbytery February 22, 2024
Policy Approved by Peace River Presbytery February 20, 2025
Policy Approved by Peace River Presbytery May 14, 2026

Purpose

These Policies and the companion procedures and record keeping information are to ensure Peace River Presbytery's (Presbytery or Presbytery's) assets and financial operations are protected, managed and controlled using financial reports produced accurately and on a timely basis.

Organization

The Presbytery finance organization is comprised of the following areas:

Finance Committee is responsible for:

- Creating investment policies including investment goals and allocations
- Recommending an investment management firm(s)
- Reviewing the investment performance
- Developing, modifying and recommending the financial policies to the Presbytery
- Reviewing, collating and presenting the Presbytery's annual budget to the Presbytery
- Reviewing, co-signing or denying church loans
- Ensuring, with the Treasurer, the Presbytery's finances are properly controlled and accurate
- Approving an independent public accounting firm for reviews/audits
- Reviewing and accepting the annual financial review or audit
- Assisting member churches with their financial matters, as requested

Treasurer is responsible for:

- Coordinating the financial operations of the Presbytery
- Providing guidance to the Finance Committee and the General Presbyter
- Insuring, with the Finance Committee, the Presbytery's finances are properly controlled and accurate
- Managing the annual budget process
- Retrieving all mail, including financial related items
- Receiving, recording and depositing all receipts
- Preparing non-recurring checks for signature by an authorized signor (s)
- Forwarding investment statements to Accounting Services

Accounting Services is responsible for:

- Updating the Presbytery's financial records
- Maintaining the financial systems
- Paying the Presbytery's invoices
- Reconciling bank statements monthly
- Recording and filing all investment statements, confirmations and reports
- Creating the monthly financial reports
- Responding to request for information, e.g. audit, insurance, etc.
- Maintaining log-in and password information
- Preparing Federal Payroll Tax reporting and Federal Tax Exempt Status filing

General Presbyter who is responsible for:

- Overseeing the financial organization.
- Forwarding all invoices to Accounting Services

- Conducting background checks for those subject to the Financial Policy
- Making the Finance Committee aware of General Presbyter activities as they relate to financial matters.
- Coordinating activities between congregations, the Committee on Ministry, the Stated Clerk of the Presbytery, and the Finance Committee

If the Treasurer is not able to fulfill his or her responsibilities within the scope of these policies, the Steering Committee shall appoint a Treasurer Pro-Tem who shall serve until a new Treasurer, nominated by the Human Resources Committee, is approved by the Presbytery.

If the General Presbyter is unable to fulfill his or her responsibilities within the scope of these policies, the Stated Clerk may act on their behalf until the situation is resolved.

Responsibilities

The Finance Committee, Treasurer, and General Presbyter are responsible for reviewing and assuring compliance with these policies and procedures.

These policies and any changes shall be prepared for presentation to the Presbytery for approval after informing the Steering Committee.

The Finance Committee may select and contract for the services of an independent accounting firm to provide such financial accounting and services as deemed necessary.

Audits and Reviews: Finance Committee, working with the Treasurer, will contract with an independent Public Accounting firm to do a review each year for two (2) years and an audit on the third year, or whenever there is a change in financial management/oversight.

Insurance: Maintain the following insurance coverage: employee theft coverage, forgery and alterations coverage, outside theft coverage in the amount of $1 million.

The Presbytery shall maintain adequate liability insurance for its officers and directors.

Background Checks: Conduct background checks for the General Presbyter, Treasurer, and anyone else directly involved in handling funds, every three (3) years.

Gifts as Described Below

The Presbytery reserves the right to decline any gift. The disposition of securities, land or property described below, donated to the Presbytery shall come to the Presbytery as a recommendation from the Finance Committee.

Definition of Terms:

Restricted Funds – Any restricted fund contains donor-restricted money that is earmarked for specific stated purposes.

Designated Funds – Any designated funds contain money that has been designated by action of the Presbytery. All Presbytery-designated funds can be redirected at any time.

Receiving Donor-Restricted Funds. A permanent record shall be kept of funds received by the Presbytery that have a restriction on their use. The record should include the Fund Name, Date, Value, Donor Name, and any special instructions that might accompany it. If funds are not used for the restricted purpose within five years, the Presbytery will contact the donor (or heir) for permission to redirect the money. If the donor or heir is not available to be consulted, the Presbytery reserves the right to apply the principles of the cy pres doctrine. ('Cy pres,' a French term for 'as near as may be,' has been incorporated in the Florida Trust Code, in section 736.0413 Florida Statutes [2018]).

Any monies restricted for a named covenant partner will be forwarded in a timely manner, ordinarily within 60 days.

Presbytery-designated funds will be used in accordance with Presbytery action. In the case of a Presbytery-designated offering funds are to be forwarded to the designated covenant partner in a timely manner, ordinarily within 60 days.

Unrestricted Estate Gifts will be directed as follows:

10% to be distributed to current mission partners in proportion to their budgeted amount in the then current year's Presbytery budget.

90% to be added to the Presbytery's undesignated funds.

Publicly Traded Securities: Publicly-traded securities will be sold as soon as is reasonably practical. The gift value of securities is determined by the date the securities are "booked" into the investment account.

Gifts of Life Insurance: The Presbytery will accept gifts of life insurance as outright gifts or deferred gifts.

1) Gifts can be made by giving existing policies, by change of beneficiary, or by purchasing new insurance.
2) The Presbytery never recommends agents or agencies and never endorses insurance programs.

Gifts of Real Property: There are benefits to using real property as an expression of stewardship. However, real property is also the most difficult to liquidate. Therefore, certain steps and precautions are necessary to make such a gift transaction complete. The Finance Committee, in consultation with the Steering Committee, will determine the timing of the property sale. The following steps are intended to make such a transaction as beneficial to all parties as possible.

1) All gifts of real property will require a title policy, a survey, and evidence that the property is free from environmental hazards. An Environmental (EPA) Level I Inspection is required. An Environmental Waiver is required at both the time of receipt and sale of the property. The Presbytery reserves the right to decline the gift of real property if an Environmental Waiver is not received.
2) The donor is responsible for establishing the value of property donated to the Presbytery. The Presbytery staff or officers will notify the donor and his/her counsel in

writing about the requirements of the Internal Revenue Code for a qualified appraisal. The Presbytery will provide Form 8283 to the donor, upon request.

According to IRS guidelines, for the purpose of valuing the gift, an appraisal by a certified appraiser must be obtained no earlier than 60 days prior to the date of the gift, and no later than the due date of the return on which the contribution is first claimed as a deduction. Form 8283 will be provided to the donor upon request. Form 8282 will be filed with the IRS on a timely basis, if the property is sold within two years.

3) Gifts of real property will be sold as soon as practical, unless the property is determined to have significant potential increase in value and is producing income sufficient to pay taxes, insurance, and any other costs related to the property.
4) Gifts of real property must have a clear title, including current leaseholds, and evidence of marketability or adequate income to meet any expenses involved with receipt and/or disposition of same.
5) Donor must guarantee taxes, insurance, legal, and other expenses, until liquidation, unless the property has adequate income to support these expenses.
6) Donor will be informed that the value of the gift will be based on the sales price, reduced by sales commissions, taxes, legal, and other expenses at the time of sale of the property.

Gifts of Tangible Personal Property: Gifts of tangible personal property will be considered and received by Presbytery on an individual basis. The donor is responsible for establishing the value of tangible personal property donated to the Presbytery. Gifts of tangible personal property will be sold as soon as is reasonably practical.

Life Income Gifts: Life income gifts, such as Charitable Gift Annuities and Charitable Remainder Trusts, will be administered by one of the denominational foundations.

Procedures and Record Keeping

Procedures and record keeping matters related to specific accounting record keeping, financial management, annual budget, receipts, disbursements, payroll, banking, investment posting, distribution practices of designated memorial funds, allocation of undesignated mission and record retention are documented in a Financial Procedures and Record Keeping document, reviewed annually by the Finance Committee, and available from the Treasurer, Finance Committee moderator or General Presbyter.

Investment Policy

Purpose: The purpose of this policy is to establish clear responsibility and authority with guidelines and goals for funds not being used for current expenditures of Peace River Presbytery. This investment policy may be revised and updated by Presbytery.

Goals:

- To preserve and grow Presbytery funds through approved investments and defined asset allocation.
- To provide conservative-to-moderate return on invested funds.

- To provide adequate liquidity to meet normal and extraordinary cash needs.
- To suggest ways the funds can be used to achieve the Presbytery's goals.

Responsibility and authority: The Finance Committee, with the support of the Treasurer, will research and recommend a qualified investment management firm(s). Periodically, generally every 4-6 years, the Finance Committee may conduct a Request For Proposal process to better understand market offerings and in doing so, recommend the best investment management firm to Peace River Presbytery. The selection will be approved by Presbytery. The **i**nvestments shall be made by the Presbytery's Finance Committee within the constraints of this policy and shared with Steering Committee.

Guidelines: The Finance Committee shall share with the Steering Committee and provide to Presbytery at its stated meetings reports showing the receipts, disbursements and market adjustments for the Presbytery's investments.

The Presbytery shall be guided, but not bound, by investment recommendations of all agencies of the PC(USA), in consideration of the social impacts of particular investments and strategies, thus directing the investment advisors to use a socially responsible screen in selecting investments for the portfolio.

Risk Tolerance: The Finance Committee recognizes that, over the long term, the risk of owning equities has been, and is expected to continue to be, rewarded with a relatively greater return than what has been historically available from fixed income investments. The role of fixed income investments is to reduce the volatility of the overall portfolio, while providing a predictable stream of income or investment gains.

- Generally, the asset allocation shall be equities at 50-70% and fixed income at 30-50%, with the following targets: equities – 60%, fixed income – 38%, cash/money market account – 2%, affirming the importance of diversification across all asset classes and sectors to reduce risk. New Covenant Trust Company (NCTC) shall be responsible for managing the portfolio within the asset allocation ranges and ensure that no single investment or asset class holds an oversized percentage of the portfolio.
- Target allocation with a 7% rebalancing trigger to ensure that asset classes remain within policy and are not deviating from the targets.
- The investment performance will be measured against the following benchmarks:
  US Equities: Russell 3000 Index
  International Equities: MSCI ACWI except USA
  Bonds: Bloomberg AGG Bond Index
  Money Market: 90 Day T-Bill

Approved Investment Vehicles:

Short term vehicles (one year or less)

- Certificates of Deposit
- Insured Money Market Accounts
- U.S. Treasury Notes

Long Term Vehicles (more than one year)

- Presbyterian Foundation Funds
- Presbyterian Loan and Investment Funds
- Exchange Traded Funds for: S&P 500, Dow Jones Industrial Average, Nasdaq
- Publicly Traded Equities and Mutual Funds
- U.S. Treasury Notes and Bonds
- Bonds must be rated investment grade

The Finance Committee will propose new investment vehicles and shall have prior approval of the Presbytery

Governance Reporting and Communication:
The Finance Committee shall meet with NCTC representatives to review investment performance at least on a semi-annual basis, either in-person, or via ZOOM. On a quarterly basis NCTC will provide a written summary comparing investment performance to benchmarks. If the Finance Committee deems it appropriate to schedule NCTC representatives for a ZOOM meeting to review that performance, an order of the day will be scheduled during a stated meeting time of the Finance Committee.

Spending Formula: Peace River Presbytery manages one investment account, with several sub-accounts designated for distribution as:

1) Viability Grant (Presbytery designated) – consolidation of Blessing and Chapel Legacy
2) Unrestricted/General
3) Retired Pastor Fund (Carol Lovell Estate)

The spending formula shall be applied to investment sub accounts for the Viability Grant and Unrestricted/General. There is no spending formula restriction for the Retired Pastor Fund.

To calculate the Spending Formula, the average account market value as reported on quarterly account statements for the previous 12 quarters shall be multiplied by 4%. In the event there are not 12 quarters worth of account market value history, the average account market value for as many quarters possible should be used.

For the accounts limited by the spending formula that calculation will be made after the first quarter investment account reports are available. The Finance Committee will review the calculations and declare the distribution.

The amount available for Viability Grant distribution will be posted on the Presbytery's website as available for the next cycle of Viability Grant applications.

The amount available from the undesignated/unrestricted account will be available to supplement revenues for any of the three streams of revenue for Peace River Presbytery as the budget is prepared for the upcoming year.

Whenever funds are drawn from any of the sub-accounts it will not impact the balance of the other sub-accounts. Future investment account gains or losses will be properly allocated to the sub-account by NCTC and reported by Accounting Services on the Presbytery's Funds and Accounts report..

If the distribution amounts from any of the sub-accounts are not needed for their designated purpose, the funds will be retained in the investment account.

Access to Investment Account Information: Only the Treasurer, General Presbyter, Accounting Services provider and Finance Committee Moderator will have online access to investment account information. The Treasurer is the only individual authorized to move money from the investment accounts within the parameters described in the banking section of the Financial Procedures and Record Keeping document. The President of Peace River Presbytery, Inc. will have authority to access these funds if the Treasurer is not available.

Sale of Assets Policy

Any and all assets resulting from the dissolution of any congregation within the Presbytery, including, but not limited to, the net proceeds of sale of real and/or tangible and intangible property, personal property, bank accounts, pledges received, securities and other investments, cash on hand, and notes and loans receivable~~;~~, shall be used and distributed as determined by the Presbytery, upon recommendation from the Finance Committee, in keeping with the values and priorities of the Presbytery.

Official signatories for the sale of property will be the President of Peace River Presbytery, Inc. and the Treasurer.

The Finance Committee, in making its recommendation for the use of such assets, and the Presbytery, in acting on such recommendation, shall give priority to the Presbytery's current mission and ministry priorities.

Consideration should also be given to the wishes of the dissolving congregation.

The assets/funds shall be administered by the Finance Committee. The liquid funds shall be deposited in the Presbytery's investment accounts.

Responsible Committees: Finance Committee and Committee on Ministry.

Per Capita Policy and Administration

Background: *Per Capita is the means by which our denomination funds its "ecclesiastical" expenses. That is, all the expenses required to run the church, but not including "mission" expenditures. The Book of Order (BOO), in the last paragraph of Section G-3.0106, states, "Each council above the session shall prepare a budget for its operating expenses, including administrative personnel, and may fund it with a per capita apportionment among the particular congregations within its bounds. Presbyteries are responsible for raising their own funds and for raising and timely transmission of per capita funds to their respective synods and the General Assembly. Presbyteries may direct per capita apportionments to sessions within their bounds, but in no case shall the authority of the session to direct its benevolences be compromised."*

Policy
Presbytery shall remit the actual amount collected from the churches in a timely fashion.

Before the start of the new budget year, the Finance Committee shall communicate the per capita request to each member church. It is suggested that member churches consider paying their full per capita amount.

The Presbytery operating budget will be funded separately from per capita. Each congregation will be asked to make a pledge to the operating budget so that the ecclesiastical work of the connectional church can be accomplished.

The Presbytery shall also have a separate Mission budget that is funded by pledges from congregations for the connectional mission work.