

CONFERENCE COUNCIL ON FINANCE AND ADMINISTRATION
Recommendations Approved by the 2023 Annual Conference

1. A budget of \$11,336,418 be adopted for 2024. The recommended 2024 budget is \$578,803 less than the 2023 budget which is a decrease of 4.86% overall. The majority of this reduction is accomplished through a change in the active health insurance funding which is not eliminating cost but realigning this anticipated cost from the Conference budget to full-time charges.
2. Line items as listed in the Opportunities for Ministry for 2024 in the Financial Section be approved.
3. The Fair Share figure for each church is presented in three categories. The Fair Share shall be determined on the three-year average of the expenditures by that church listed below:

40b	Optional Amount Paid Over Charge Responsibility (\$7,200 per participant for 2023) for Health Premium Funded by the Church;
41a	Total Amount Paid in Base Compensation For Pastor;
41b	Total Amount Paid in Base Compensation for Associate Appointed by the Bishop;
41c	Total Amount Paid in salary and benefits for Deacons;
42a	Total Amount Paid to Pastor for Housing
42b	Total Paid to Associates or any other appointed clergy for Housing;
42c	Housing for Deacons NOT included in 42b.
43	Total Amount Paid to/for Pastor and associates for Accountable Reimbursement Plan (ARP).
44	Total Amount Paid to/for pastor and associates for any other cash allowances (Non Accountable);
45	Total amount paid in salary and benefits for all other church staff.
46	Total Amount Spent for Local Church Program Expenses;
47	Total Amount Spend For Other Local Church Operating Expenses;
4. Each district maintain a District Parsonage Fund for routine maintenance and improvements of the district parsonage, to be funded annually by a district budget item of 2.5% of the replacement cost of the district parsonage or a minimum of \$2,000. Funds shall be accounted for separately and not comingled with other funds, and this fund's balance shall be accumulated from year to year.
5. Funding requests for a District Parsonage emergency must come from the District Trustees. An emergency is an unanticipated expense that would cause the occupants difficulty in inhabiting the house. Funding requests must be accompanied by a minimum of two bids. Following approval by the executive committee of CFA of the emergency funding request, bills or photocopies of receipts for work done are to be sent to the Conference Council on Finance and Administration for payment or reimbursement.

6. The Conference travel allowance be set at the prevailing IRS legal rate (currently \$.655 per mile).
7. Grants to churches or charges from the Trustees' Property Proceeds Fund be made on approval of the Annual Conference.
8. The Council be authorized to borrow additional funds within the anticipated payout after consent of the Bishop and Cabinet.
9. The Conference Treasurer's books be closed on December 31, 2023. Fair Share payments received after 12:00 PM, January 3, 2024, are to be entered as a part of the 2024 records.
10. The fiscal policies be adopted and printed in the *Conference Journal*.
11. The following Conference agencies be authorized to solicit and secure special gifts: Division of Health and Welfare of the Board of Global Ministries and agencies related to this division, Mission Projects, Commission on Camping and Outdoor Ministries, Board of Pensions, West Virginia Wesleyan College, Commission on Archives and History, United Methodist Foundation of West Virginia, Inc., approved General or Conference Advance Specials and Campus Ministry units.
12. The Council on Finance and Administration strongly recommends that churches/charges that are unable to fully fund their Fair Share apportionments prayerfully examine their ability to give clergy/staff salary increases.
13. The Council supports and recommends the actions to realign the districts of the WV Annual Conference as these actions coincide with the Council's goals to minimize administrative costs while maintaining or increasing the resources available for the ministries of the Conference and local churches.
14. The following resolution be adopted:

PARSONAGE ALLOWANCES CLERGY IN EXTENSION MINISTRIES

WHEREAS, The West Virginia Annual Conference of The United Methodist Church is the qualified employing organization of its clergy; and

WHEREAS, The Internal Revenue Code, Section 107, provides for clergy to exclude (a) the rental value of a home furnished as part of compensation, and (b) the rental allowance paid as part of compensation, to the extent used to rent or provide a home,

THEREFORE BE IT RESOLVED, that in the calendar year 2024, the actual expense for housing, not to exceed \$18,000, be designated as the parsonage allowance excludable under Section 107 of the Internal Revenue Code as part of the compensation of clergy employed by the West Virginia Conference in positions other than local churches such as Director of Administrative Services, Conference Secretary, Conference Staff, and Administrators of Conference Programs and Projects. District Superintendents shall have \$4,000 be designated as the parsonage exclusion under Section 107 of the Internal Revenue Code as part of the compensation of clergy employed by the West Virginia Annual Conference in positions other than local churches.

15. The following are designations for special offerings at the 2023 Annual Conference. All undesignated offerings will be divided equally among the following causes:

Dig Deep Appalachia Water Project, the Reparations Fund of the UM Foundation of WV, and the Africa University Fund

16. The following schedule of Special Days be adopted:

JANUARY FEBRUARY – MARCH

- Human Relations Day** [OFFERING] January 14, 2024 - Supports programs for community developers, voluntary services, and police/community relations.
- Sanctity of Human Life Sunday** [OFFERING] – January 21, 2024 – Supports Burlington Family Services for adoption support services.
- BMCR Sunday** [OFFERING] – February 4, 2024 – Supports the vital ministry of Black Methodist for Church Renewal. 50% of the offering goes to the National unit and 50% remains in WV.
- UMVIM Awareness Day** – On or about February 25, 2024 – Informs and educates about Conference Volunteers in Mission.
- Disability Awareness Sunday** [OFFERING] – March 3, 2024 - Supports the work of Disabilities Ministries in the Annual Conference.
- UMCOR Sunday** [OFFERING] – March 10, 2024 – Supports the work of United Methodist Committee on Relief.

APRIL MAY – JUNE

- Golden Cross Sunday** [OFFERING] – April 7, 2024 (also may be observed on all 5th Sundays, and any Sunday in Advent) – Supports Burlington Family Services.
- Native American Awareness Sunday** [OFFERING] – April 13, 2024 - Supports ministries with Native Americans and provides scholarships for Native Americans attending seminary.
- United Methodist Foundation Sunday** – May 12, 2024 – Informs and educates about the work of the Conference Foundation and opportunities for giving.
- Heritage Sunday** - May 19, 2024 – Celebrates the history of our denomination and brings attention to WV Conference historical sites.
- Peace with Justice Sunday** [OFFERING] – May 26, 2024 – Supports peace with justice ministries through the General Board of Church and Society and the Annual Conference.

JULY AUGUST – SEPTEMBER

- Hunger and Poverty in WV Sunday** [OFFERING] – July 14, 2024 – Provide awareness and supports the Hunger Grant program administered through the Global Ministries Team.

Campus Ministry Sunday [OFFERING] August 4, 2024 – Supports the work of the WV Conference Student Movement and campus ministry units.

Rural Life Sunday – September 1, 2024 – Informs and educates about the importance of ministry in rural life.

Christian Education Sunday [OFFERING] September 15, 2024 - Provides resources for Christian Education Ministries.

OCTOBER NOVEMBER – DECEMBER

World Communion Sunday [OFFERING] October 6, 2024 – Supports scholarships for ethnic students through the General Church Office of Loans and Scholarships.

Undie Sunday - October 13, 2024 – Collects new underwear for distribution to clothing closets of our conference mission projects.

Children's Sabbath Sunday - October 20, 2024 – Celebrates children and encourages everyone to be in prayer for children living in poverty throughout the world.

Laity Sunday October 20, 2024 – Celebrates and emphasizes the ministry of all baptized persons and lay ministries.

Ministry Exploration Sunday - October 20, 2024 – Encourages people to consider full-time Christian ministry.

Day of Remembrance [OFFERING] – October 27, 2024 – This year the Board of Pensions honors those who have given their lives in service to God's people and designates the recipient(s) of this offering each year.

Organ and Tissue Donor Awareness Sunday – November 10, 2024 – Informs and educates about the importance of donating organs and tissue.

United Methodist Student Day [OFFERING] November 24, 2024 – Supports scholarships and loans for students administered through the General Church Office of Loans and Scholarships.

World AIDS Day – December 1, 2024 – as recommended by Global Ministries Team.

FISCAL POLICIES

FOR 2024

WEST VIRGINIA ANNUAL CONFERENCE

Approved by the 2023 Annual Conference Session

All Discipline References 2016

1. The Council has oversight of the fiscal affairs of the Annual Conference. It is amenable to and acts on policies stated in the Discipline or authority granted by the West Virginia Annual Conference. (Par. 611619)
2. The goal is for every church of the Conference to achieve a 100% payout of its share in the Annual Conference Budget. To achieve this goal we urge the use of

materials available from the General Church and the Annual Conference, along with the services of the Conference Treasurer and the teams from the Council on Finance and Administration, to interpret the Conference Financial Programs, such as the apportionment calculation, World Service giving, missional support and giving, pastoral compensation and salary sheets, and other ministry expenditures.

3. The Conference Agencies are required to present to the Council on Finance and Administration a revised budget for 2024, within the line amount approved by the Annual Conference, no later than 30 days following the close of the Annual Conference.
4. The term total appointive cost, as used by the cabinet in fixing appointments includes the following: base compensation, health insurance premiums paid by the local church/charge in excess of any Annual Conference requirement, taxdeferred annuities and Accountable Reimbursement Plan or other non-compensation expenses (Medical Reimbursement Accounts, Cafeteria 125 Plans, etc). Total appointive costs less any Accountable Reimbursement Plans or other non-compensation items will be used to compute medical insurance premiums and payments to the Clergy Retirement Security Program and Comprehensive Protection Plan.
5. When a clergyperson under appointment moves, the total appointive costs, the pension payment and monthly medical insurance premiums for the month in which a move occurs is to be paid by the former charge.
6. All parsonage utilities including but not limited to gas, electric, water, sewer, fuel oil, coal, wood, basic telephone service and internet services will be in the name of the local church/charge and all local churches/charges shall be responsible for 100% of these utility costs. These expenses are not considered as a part of the total appointive costs.
7. The Fair Share figure shall be distributed to the churches and charges under three categories: (1) Ministerial Support; (2) World Service and Conference Benevolences; (3) Administration and General Funds. The remittance form provided by the Conference Treasurer shall require the Charge Treasurers to designate the category or categories for which payment is made.
8. When a 100% payout in any category of the Conference budget is reached, authority is granted by the Council on Finance and Administration to direct the excess to other categories.
9. Authority is granted to make compensation and related employee expenses payable from the Conference budget as first claim on the Conference budget within anticipated payout of the categories remitted by the churches. The Council accepts pensions as a deferred compensation item.
10. Routine maintenance and improvements of parsonages for District Superintendents shall be the responsibility of the respective districts.
11. The President of the Council, or a member of the Council designated by the Council, is authorized to approve all vouchers drawn on the Annual Conference Administration Fund, the Conference Lay Leader Account, the Conference Operating Fund, and the District Superintendent's Fund.
12. No member or employee of any Conference agency and no employee, trustee, or director of any agency participating in the funds of the Conference budget shall be eligible for voting membership on the Council. (Par. 612.2(b)).

13. The Conference Treasurer shall be the treasurer of the Council. This person is elected by Annual Conference on nomination of its Council on Finance and Administration for the quadrennium. The Council shall have authority and supervision over the treasurer (Par. 619). The treasurer shall be bonded (Par. 618.1). The Council on Finance and Administration provides the bonding.
14. The chairperson or other duly authorized representative of each Conference agency shall have an opportunity to represent the claims of said agency to the Council on Finance and Administration (Par. 614).
15. The Council shall recommend to the Annual Conference for its action and determination, budgets of anticipated income and proposed expenditures, for all funds to be apportioned to the churches (Par. 614).
16. Wherever possible, the Conference Treasurer may serve as treasurer of all agencies (Par. 613.11 & 619.5b). All persons who hold or receive Conference funds shall be bonded in the amount as determined by a surety company approved by the Council. The Treasurer shall be custodian of all surety bonds (Par. 618).
17. The compensation, housing, and office expense of the District Superintendents shall be determined by the Conference upon recommendation of the Council on Finance and Administration. Provisions shall be made for the insurance and major maintenance emergencies of district parsonages (Par. 614.1).
18. No Conference agency or local church shall make a special Conferencewide appeal to local churches or members of the same without the approval of the Annual Conference except in areas of extreme emergency. Then such approval may be given by two-thirds vote of the Bishop, the District Superintendents and the Council on Finance and Administration, acting jointly (Par. 614.5(a)).
19. All applications for the privilege of Conferencewide appeals for finance shall be referred to the Council for investigation and determination of needs as well as effect on the regular budgets of the Conference. The Council shall make recommendations to the Conference for its action and determination (Par. 614.5(b)).
20. No board of trustees, officer or official of any agency or institution of the Annual Conference shall encumber the real or personal property which it owns or holds in trust or in any manner involve the Annual Conference in any obligation or indebtedness without the prior approval of the Annual Conference or between sessions of the Annual Conference with the prior approval of the Council on Finance and Administration of the Annual Conference and the presiding bishop and a majority of the District Superintendents of the Annual Conference and compliance with the provision of Paragraph 2517 of the Book of Discipline. [The provisions of this paragraph are not applicable to West Virginia Wesleyan College, as the Conference is not responsible for the College's obligations or indebtedness].
21. Except as otherwise provided by the Book of Discipline, any agency presenting a report to the Annual Conference requiring financial asking shall have the financial asking referred to the Council for their recommendation, before final consideration of the report by the Annual Conference.
22. Any agency presenting a budget that differs from that printed in the Conference Workbook shall place an amended budget in the hands of the president, treasurer, and secretary of the Council at the time the report is considered by the Annual Conference.

23. Operating budgets under Conference benevolences are set each year; therefore, any unspent balance remaining at the close of the Conference year will be applied as follows: First, to deficits incurred in the Covenant Council's budget; second, the Covenant Council and Council on Finance and Administration will negotiate a fair share of any deficit in the Conference Operating Fund with the remaining monies to be expended for the World Service apportionment.
24. The Fair Share portion of the total missional budget approved by the Annual Conference shall be calculated by the Conference Treasurer and sent to the District Superintendents within sixty (60) days following adjournment. The Annual Conference on recommendation of the Council shall determine the basis of the calculation.
25. The District Superintendent shall present the amounts apportioned to the local churches within ninety (90) days following adjournment of the Annual Conference. **Items apportioned to the churches and charges are not subject to acceptance of a lesser amount by the Charge Conference.**
26. To maintain a sound financial policy, the Council may set an expenditure limitation on items other than compensation – if, in its judgment, the anticipated rate of receiving income warrants such action.
27. The Council shall have the books of the Treasurer audited by a Certified Public Accountant. Any member of the Annual Conference may inspect copies of the annual audit, kept in the Treasurer's office. As part of the audit, the accountant shall confer with the presiding bishop of the Annual Conference and the president of the Council (Par. 617.1).
28. Any agency receiving funds from the Conference which has a treasurer other than the Conference Treasurer, shall file with the Conference Treasurer within 180 days after the close of the Conference Fiscal Year an external audit by a Certified Public Accountant with standards set by the General Council on Finance and Administration (GCFA). The cost of the audit or report shall be paid by the agency for which it is made. (Par. 617.2) **The Conference Treasurer shall not distribute funds to agencies failing to comply.**
29. The Treasurer of the Conference may invest, in accordance with the Council's Investment Policy, and under the direction of the Council, any available balances, the income to accrue to the Conference Operating Funds, unless otherwise designated by the Council (Par. 613.5 and 619.2d).
30. The Council shall designate a depository or depositories for all Conference funds (Par. 616).
31. The Conference Treasurer shall make a full report each month to the president and members of the Council, the Bishop and the members of the Cabinet, of all funds received, disbursed, and balances under the Treasurer's direction. An annual report shall be printed in the Conference *Journal* (Par. 619.c1).
32. Every clergy member of an annual conference appointed to extension ministry shall furnish annually to the conference secretary at such time as the secretary shall direct a statement of his or her total compensation (including base compensation, travel, automobile, housing, and other expenses allowed and paid) for the year then ending, and said compensation of all appointed to extension ministry shall be published in

the journal of the annual conference. When this information is not furnished, the appointment of the clergyperson shall be subject to review by resident bishop and the cabinet. (Paragraph 628)

33. The Annual Conference shall maintain a **Conference Operating Fund** of 5% of the Annual Conference budget.
34. The Annual Conference shall maintain a **Conference Property Maintenance and Improvement Fund** with the goal being to achieve a balance of 5% of the Annual Conference Budget. Seventy five percent of the interest income from this account shall be divided equally among the districts for use by the District Trustees for the maintenance and improvements of the parsonage located there. This amount which shall be allowed to accumulate from year to year will be placed in a holding account for each district and will be available upon application by District Trustees. The remaining interest income only shall become available for use in Conference owned properties, primarily District Parsonage emergencies. An emergency is an unanticipated expense that would cause the occupant difficulty in inhabiting that house.
35. The Annual Conference shall maintain a **Conference Reserve Fund** with the goal being to achieve a balance of 5% of the Annual Conference budget.
36. Once approved by the Annual Conference, all agency budgets, including the line items within them, are fixed for the ensuing year. Each agency is expected to administer its budget according to the income that becomes available. Any deficits at the end of the fiscal year shall be charged against the next budget for that agency. Exceptions to this policy may be granted by the Council, after consultation with the Covenant Council.
37. Each line item within a budget is to be executed and reported accurately as to its actual cost. When income for an agency is less than needed, the agency is responsible for identifying the priorities among the line items that are to receive support. Divisions or sections of an agency must adhere to decisions of the total agency of which it is a unit.
38. No agency or unit thereof is entitled to authorize expenditures of funds for purposes not previously approved by the Annual Conference unless expressly approved by the Council between sessions of the Annual Conference. Any funds so spent will be recovered from the next year's budget of that agency.
39. All agencies shall reimburse their members for expenses incurred in attending meetings when they submit itemized vouchers. This is interpreted to include only travel at the Conference rate (or if commercial transportation, the actual cost at coach rate), highway tolls, parking, meals and lodging. Receipts are required for all expenses. There shall be no exception unless prior approval of the expenditure is given through proper channels by the Council. Members of agencies traveling from outside the Conference boundaries to a meeting site within the Annual Conference shall be reimbursed only for that portion of vouchered expenses occurring within the boundaries of the Annual Conference to and from the site of the meeting. If this vouchered expense is for air transportation, the expense will be pro-rated by actual air mileage from the Conference boundaries to and from the site of the meeting.

40. Providing quality on-site care shall be a priority for all Conference agencies. When onsite care is not feasible and spouse care is not available, financial remuneration shall be made by the Conference agencies to its members for dependent care (child, person with disabilities, or elder care) as legitimate meeting expense so long as the total for all conference boards and agencies does not exceed \$1,000. The amount to be reimbursed shall be the actual cost to provide specialized care not to the point of medical care and not to exceed \$50 per dependent per day.
41. Expenses of the Annual Conference Session shall be a line item of the Conference budget and offerings received during each Annual Conference session shall be designated for Annual Conference and General Church causes to be determined annually by the Annual Conference on recommendation of the Covenant Council.
42. The Council on Finance and Administration will not consider program related financial requests without the prior consideration of the Conference Covenant Council.
43. A bond of at least \$25,000 shall be provided by the local church/charge for Treasurers and other persons who handle funds within the local church. This bond shall be forfeited if a clear separation of duties is not followed by people responsible for receipts and expenses (Paragraph 2511).
44. The term "AGENCY," as used in recommendations and fiscal policies, shall be interpreted in its broadest sense to include all line items in the conference budget.
45. When two churches are merged with an effective date immediately following Annual Conference, the current Fair Share for the new charge shall be determined by adding 50% of the Fair Share of the smaller fair share church to the larger fair share church. The merged congregation will use the church number of the larger fair share church. All current year remittances received before the merger from the smaller fair share church will be transferred in the remittance system to the larger fair share church. For future fair share calculations, the financial statistical data for the smaller fair share church will not be added to the statistics of the larger fair share church. Only the membership figure will be transferred (smaller fair share church membership to be added to the larger membership). The percentage of payout on Line 73 for the merged church will be the higher percentage figure of either church.
46. Ten percent of the net proceeds from the sale of closed church property shall be allocated for the purpose of creating an endowment fund for capital improvements, repair and restoration of ethnic minority local churches. These funds shall be invested through United Methodist Foundation of WV, Inc., and that the income shall be administered by Ethnic Local Church Concerns Committee.
47. Failure to submit Statistical Reports in accordance with the *Book of Discipline* requirements will result in ten percent (10%) being added to the previous years adjusted expenses to determine the current year expenses for Fair Share calculation purposes.

West Virginia Conference of the United Methodist Church Investment Policy

The vision of the West Virginia Annual Conference of the United Methodist Church (The Conference) is to be a Christ-led, spiritual breath of fresh air that changes the world. Its mission is to discover, develop, and deploy passionate spiritual leaders who make disciples of Jesus Christ for the transformation of the world. The Investment Committee of the Council on Finance and Administration (CF&A) has approved this policy in accordance with The Book of Discipline of The United Methodist Church. This policy is for guidance and use of the Investment Committee, the Council on Finance and Administration, depositories of funds of the Annual Conference and others in the execution of their duties related to the management of the investment portfolio of the Annual Conference.

Investment Objective

The purpose of these funds is to provide resources to implement activities designed to carry out the mission of The Conference. Investment strategies should result in effective diversification of the invested funds in order to enhance real returns, protect against undue volatility and eliminate adverse effects of dependence on any investment concentration. Investments will be managed for total return, the sum of all earned income, dividends as well as realized and unrealized gains or losses less the investment management costs.

The Conference has four objectives for its investment portfolio which shall be considered when determining the appropriateness of investments for the portfolio. They are:

- A. Preserve the capital assets of the Conference;
- B. Maintain an appropriate level of liquidity within the portfolio;
- C. Invest in a prudent manner in order to provide reasonable return on the invested funds of the Conference without unreasonable risk, and
- D. Be consistent with the Social Principles of The United Methodist Church.

Delegation of Authority

CF&A has a fiduciary responsibility to direct and monitor the investment management of Fund assets. As such, CF&A has retained the United Methodist Foundation of West Virginia, Inc. (The Foundation) as custodian of its investible funds (The Fund), and to provide services that include, but are not limited to:

1. Assisting the Investment Committee of CF&A in: establishing investment policies, objectives, and guidelines; selecting Investment Managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks deemed appropriate by CF&A.

2. Purchasing, selling, or holding the specific securities that will be used to meet the Fund's investment objectives.
3. Maintaining possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. (The foregoing shall not be construed as prohibiting the Fund from owning securities which are not physically certificated, but are held in book-entry form).
4. Performing regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.

Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by CF&A to assist it in meeting its responsibilities and obligations to administer Fund assets prudently.

CF&A will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Retained investment professionals will be held responsible and accountable to achieve the objectives herein stated; provided, however, that no such professional shall be liable for failure to achieve the targeted return over the relevant portfolio's valuation benchmark if such portfolio is invested within the permissible strategic asset allocations.

All expenses for such experts must be customary and reasonable, and will be borne by the Fund as deemed appropriate and necessary.

Investment Guidelines

The investment policies and restrictions presented in this Investment Policy Statement ("IPS") serve as a framework to achieve the investment objectives at a level of risk deemed acceptable.

A. Sustainable Investing and Socially Responsible Investments

CF&A will make a conscious effort to invest in institutions, companies, corporations, or funds with policies and practices that are socially responsible, consistent with the goals outlined in the Social Principles of The United Methodist Church, as set forth in *The Book of Discipline of The United Methodist Church* (2016), as it may be from time to time amended. CF&A will avoid investments in core business activities that are not aligned with the Social Principles through their direct or indirect involvement with the production of anti-personnel weapons and armaments (both nuclear and conventional weapons), alcoholic beverages or tobacco; or that are involved in privately operated correctional facilities, gambling, pornography or other forms of exploitative adult entertainment. CF&A will make a conscious effort to invest in institutions, companies, corporations and funds that make a positive contribution toward the realization of the goals outlined in the Social Principles of The United Methodist Church. CF&A will give careful consideration to environmental, social, and governance factors when making investment decisions and actively exercise their responsibility as owners of

the companies in which they invest, including engaging with companies to create positive change and holding them accountable for their actions, while also considering exclusion if companies fail to act responsibly.

B. Target Asset Mix

CF&A hereby adopts a balanced approach to investing that is comprised of the asset classes listed below. CF&A may amend the actual asset allocations, as these targets may change from time to time due to market conditions.

<u>Investment Fund</u>	<u>Equities</u>	<u>Fixed Income</u>	<u>Cash Equivalents</u>
Balanced Fund	40-65%	35-60%	0-10%

INVESTMENT PROFESSIONALS

A. Selection

In employing investment professionals, CF&A shall perform due diligence inclusive of the following factors:

1. **Performance Adherence to Stated Investment Style** – the manager has a clearly articulated investment strategy and demonstrated discipline.
2. **Performance Against Peers** – Time-weighted actual results outperform peer group median.
3. **Performance Relative to Assumed Risk** – To be evaluated using statistical measures such as Sharpe Ratio, Alpha and standard deviation of returns.
4. **Performance of Key Decision Makers** – Same portfolio manager for two of the last three years, with at least \$75 million under management
5. **Performance of Organization on Expense Control** – Reasonable expense ratio, fees, execution, and soft-dollar arrangements.
6. **Performance of Overall Organization** – Stable, absence of regulatory problems, ability to handle growth

B. Benchmarks to Measure Performance

The returns should be compared to an index, net of fees, which is appropriate to its assignment, and be reviewed by CF&A. Blended Funds will be compared to a blended benchmark of reasonable indices and universe comparisons.

MONITORING OF OBJECTIVES AND RESULTS

CF&A shall impose the following duties on the Foundation:

1. To report all actions and activities, to CF&A on a quarterly basis.
2. To develop policies and guidelines for approval by CF&A for The Conference's investments.
3. To determine the appropriate types of investment managers for The Conference.
4. To assist in determining the appropriate asset allocation of The Conference's assets.
5. To monitor asset allocation among investments.
6. To perform regular due diligence, to evaluate, and to monitor investment manager performance.
7. To evaluate and monitor investment manager adherence to The Conference's IPS.
8. To engage new investment managers and investment consultants in accordance with IPS guidelines, and to dismiss current investment managers who are not performing according to IPS guidelines and expectations.
9. To report all breaches of the IPS guidelines, if any to the Conference Treasurer within 7 days of becoming aware of such breach.

The Foundation will report the following information to CF&A quarterly: total return net of all fees, additions and withdrawals from the account, and current holdings at market value. In addition, the Investment Manager shall provide written annual certification that the investment account is in compliance with the guidelines put forth in this Investment Policy Statement.

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this IPS, CF&A shall review this IPS at least annually. Changes in policy will be brought to The Conference for approval.

If at any time an investment manager believes that any IPS guideline inhibits his/her investment performance, it is his/her responsibility to clearly communicate this view and concern to the Conference Treasurer.

EXCEPTIONS TO POLICY

The nature of Investment Policies is to provide guidance and monitoring as outlined in this statement. When situations develop requiring consideration of an immediate change in these Policies in order to participate in an excellent investment opportunity and/or to safeguard investment assets, the following procedure is established for approval of such exceptions to these policies: Exceptions to the investment policies outlined in this Investment Policy Statement can only be made on the written approval of a majority of the Investment Committee, and such exceptions shall be entered into the minutes of the next CF&A meeting.