

INVESTMENT POLICY

PURPOSE AND SCOPE

The purpose of this policy is to guide Grace Lutheran's Congregation Council (hereafter "Council") and Business Management Committee (hereafter "BMC") in effectively managing Grace Lutheran's investment portfolio. The investment portfolio consists of cash not currently used in operation of the church. The funds will be invested with a focus on increasing return while protecting principle.

For purposes of this policy, the accounts included are a checking account and a brokerage account with Charles Schwab & Company. The Grace Lutheran Endowment Fund is not included in the scope of this document.

DIVISION OF RESPONSIBILITIES

Congregation Council

The Council is ultimately accountable for the portfolio, but has delegated the implementation of this investment policy to the BMC with "full power and authority to make decisions related to investment of the funds", consistent with the investment policy approved and adopted by the Council.

Business Management Committee

The BMC is charged by the Council with the responsibilities of formulating the overall investment policies of Grace Lutheran Church, subject to the approval of the Council; establishing investment guidelines in furtherance of these policies; overseeing the investments assets of the funds; and monitoring the management of the fund's assets for compliance with the investment policies and guidelines. A majority of the BMC shall constitute a quorum for the transaction of business, and the act of a majority of the members of the BMC present at any meeting at which a quorum is present shall be the act of the BMC. The Chair may decide that a committee member participating remotely is "present".

Between meetings of the BMC, The Chair of the Committee and the Congregation Treasurer, acting together, shall have the authority to exercise all such powers, subject to the investment policies set by the Council and investment guidelines

established by the BMC. The Chair may also offer questions to the committee members for action using e-mail or other recordable electronic means.

OBJECTIVE

The goal is to increase return while protecting principle.

GUIDELINES

Assets shall be invested in bank CD's purchased through Charles Schwab. These CD's will be FDIC insured.

We should have as little cash in checking as is necessary to pay bills as they arrive, with remaining cash being invested in the securities account. CD's in the securities account will have staggered maturities such that cash will be available to be transferred to checking when necessary. The exact amount to keep in checking and the amount to have in CD's for each maturity will be determined by the bookkeeper and the person(s) responsible for purchasing the CD's. While it would be nice to have the maximum amount possible invested in CD's, we need to considerate of the volunteers who manage this cash. For example; if we have too much cash in checking we lose the opportunity to gain interest income, but we make the bookkeeper's job much easier (fewer transfers between checking and securities account). This makes their job less stressful and keeps them happy to do it.

Donated securities will be sold and proceeds invested in CD's

These guidelines may be amended by a majority vote of the Business Management Committee and ratified by the Congregation Council at a regular or specially called meeting.

REPORTING

The BMC will provide detailed reports at least quarterly to the Council and at the annual meeting of the Congregation.