

Investment Policy

Nelson United Church

Background

The Congregational Trustees Handbook sets out the need for the congregation, through the church Board, to have an Investment Policy. Individual investment decisions are the responsibility of the Trustees (See Congregational Board of Trustees Handbook, p.29; sec 45).

In preparing an investment policy for Nelson United Church, a small working group on investments was comprised of members from both the Board and the Trustees. This working group relied on a number of documents, including:

1. "Mission and Investing: A Guide for United Church of Canada Congregations and Organizations", 2002, United Church of Canada
2. Investment policies of: BC Conference; United Church of Canada General Funds: Statement of Investment Policies and Procedures (SIP&P), November 16 – 20, 2006; Statement of Investment Policies and Procedures (SIP&P) for BC Conference United Church of Canada, October 24, 2003; Oasis United Church (Penticton); Shaughnessy Heights United Church, Vancouver; University Hill United Church, Vancouver; Columbia Basin Trust and Kootenay Lake Hospital Foundation, both of Nelson.
3. British Columbia Trustee Investment Statutes Amendment 2002

Purpose of the Investment Policy

1. Support the mission of Nelson United Church
2. Encourage gifts and bequests
3. Set out guidelines for the Trustees to invest available funds

Investment Objectives

1. Offset the effects of inflation through capital appreciation
2. Maintain liquidity sufficient to meet ongoing requirements
3. Maximize return on investment without undue risk
4. Generate potential sources of income for operational costs and program opportunities

Guidelines for Investments

1. The investment portfolio may consist of a mix of cash, money market securities, fixed income instruments, preferred shares and dividend paying stocks, the latter two may be in the form of mutual funds.
2. Every effort will be given to holding investments in socially and ethically responsible companies. (Reference document United Church of Canada General Funds, SP & P, Appendix A, "General Investment Guidelines".)
3. Adequate funds will be invested in easily liquidated instruments to allow for unscheduled expenditures.
4. Investment approaches will include short-term for cash reserves to fund ongoing operations, and long-term for asset growth and return in endowed and trust funds.

Administration of Policy

1. The Trustees will be responsible for the decisions related to the purchase and sale of investments and will monitor the performance on a regular basis.
2. The Trustees will use the services of an Investment firm to actively manage risk through diversification and maximize return without undue risk.
3. The Trustees will review the investment portfolio performance annually, and more often if necessary, and adjust the investment approach based on market conditions.
4. The Trustees will recommend an annual distribution from the portfolio to the Nelson United Church annual operating budget after consultation with the Board and consideration of the proposed annual budget.
5. The Trustees will keep the Board apprised of the status of the investment portfolio of Nelson United Church, and report to the congregation annually on the investments held in its name.

Protection from Liability

1. Nelson United Church will indemnify and save harmless the members of the Board of Trustees against and from any and all losses, liability, claims or demands by reason of their acting as members of the Board of Trustees except in respect of liability, claims, or demands arising out of their own willful misconduct or gross negligence.
2. Notwithstanding (1) above, members of the Board of Trustees must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments.

Items Not Covered

Items not covered in this policy will be governed by:

1. The United Church of Canada Act
2. The Trusts and Model Deed of the United Church of Canada (Manual 2004, Appendix 11, Schedule B)
3. The Trustee Act of British Columbia 1996, Chapter 464, Amendment Act 2002

This investment policy of the Nelson United Church supersedes all others (1 March 2015).

Board Approved

14 January 2015

Trustee Approved

20 January 2015

Congregation Approved at

1 March 2015 AGM