



## Community of Christ

### INVESTMENT POOL TERMS OF SERVICE FOR LOCAL JURISDICTIONS

---

**References:**     *Church Administrator's Handbook: 2005 Edition*                     **Effective Date: August 1, 2018**  
                      *Community of Christ Bylaws*  
                      *World Conference Resolution 866*  
                      *Presiding Bishopric November 2017 FAQs*

THESE TERMS OF SERVICE ("Terms of Service") reflect current Community of Christ ("Church") policies and practices with regard to the use and investment of funds received or held by a local jurisdiction ("Local Jurisdiction") of the Church, which includes but is not limited to congregations, missions centers and campgrounds, as set forth by the Presiding Bishopric ("Presiding Bishopric") in consultation with, as appropriate, the First Presidency, World Church Leadership Council, World Church Finance Board, and World Church Investment Committee and in accordance with the Church's Bylaws, Administrator's Handbook and applicable World Conference Resolutions. These Terms of Service supersede all previous internal church documents and agreements, including but not limited to former Investment Pool Agreements, regarding the use and investment of funds received or held by Local Jurisdictions. For the purposes of these Terms of Service, affiliates of the Church are not considered a Local Jurisdiction.

Local Jurisdictions, as an integrated part of the Church, receive Church funds on behalf of the Church via sale of property, tithes, offerings and other gifts, given in the name of the Church or in the name of the Local Jurisdiction ("Church Funds"). The Presiding Bishopric is the trustee of all Church Funds; which includes funds given to the Church by, through or in the name of congregations, mission centers, campgrounds, and World Church; and has primary stewardship over all Church Funds. The Presiding Bishopric, in consultation with the First Presidency, World Church Leadership Council, World Church Finance Board and World Church Investment Committee, sets the policies and practices of the Church regarding the use, stewardship and investment of Church Funds. The Presiding Bishopric grants Local Jurisdictions the authority to steward Church Funds in furtherance of the Church's mission, subject to the policies and practices of the Church, which include the following:

1. Local Jurisdictions shall not hold Church Funds in excess of \$100,000 outside the Church's Investment Pool, which may include one or more investment pools (collectively hereafter referred to as "Investment Pool"). The Local Jurisdiction shall deposit all Church Funds in excess of \$100,000 in the Church's Investment Pool for local jurisdictions (Mission Centers, Congregations, and Campgrounds). The Church Funds may be comingled with other funds of the Church received through other local jurisdictions and affiliates of the Church. The objective of the Investment Pool is to provide a balance between stability and investment income for the Church. The Local Jurisdiction is not permitted to hold, deposit and/or invest Church Funds in excess of \$100,000 outside the Investment Pool without the prior written approval of the Presiding Bishopric. Mission Center Financial Officers (MCFOs) are

responsible for monitoring Local Jurisdictions for compliance. For Mission Centers and campgrounds, the audit process shall also assist in identifying any failure to comply with these Terms of Service. In the event a Local Jurisdiction holds Church Funds in violation of these Terms of Service, field leadership will work with the Presiding Bishopric to bring the Local Jurisdiction into compliance.

2. In consultation with the First Presidency and World Church Leadership Council, the Presiding Bishopric, as trustee over all funds of the Church, may employ the use of Church Funds and/or restrict the use of Church Funds in the Investment Pool as it deems necessary to fulfill the obligations of the Church and to further the Church's mission. Prior to any use or restriction of Church Funds, as appropriate, the Presiding Bishopric will attempt to notify affected Local Jurisdictions. Up to 100% of the value of the Church Funds in the Investment Pool may consist of intra-Church loans, including loans to congregations, mission centers, campgrounds, World Church, and Church affiliates. The Presiding Bishopric shall have sole and absolute discretion regarding the interest rate, if any, to apply to intra-Church loans as such loans serve missional interests and/or operational needs of the Church which may supersede the generation of investment income.
3. All orders for the purchase or sale of securities with Church Funds shall be in accordance with the policies of the World Church Investment Committee and World Conference Resolutions and placed through such brokers or investment managers as the Presiding Bishopric may from time to time select.
4. The Presiding Bishopric has absolute and sole discretion as to price, terms and conditions, date of maturity and yield in respect to such investments and loans, and authority to vary or transfer the same into others of like or similar nature. Gains and losses, interest earned, and investment expenses will be shared proportionately among participants in the Investment Pool. Net gain or loss is calculated monthly and will be allocated based on the average account balance of the Local Jurisdiction.
5. To provide for investment expenses and accounting services associated with management of the Investment Pool, the Investment Pool will be subject to the Cost Schedule set forth in the attached Exhibit A.
6. The Local Jurisdiction may only add or withdraw Church Funds from the Investment Pool in accordance with these Terms of Service and the policies and practices of the Church as set forth by the Presiding Bishopric.

All withdrawals of Church Funds by the Local Jurisdiction are subject to: (1) Fiscal Services' receipt of appropriate supporting documentation including, but not necessarily limited to, a written request by an authorized signer (electronic means are acceptable) and approved budget, if requested, and (2) the approval of the Presiding Bishopric in its sole and absolute discretion as trustee for the Church.

In addition to any other withdrawal policies or practices of the Church, the Local Jurisdiction shall give advance written notice to the Presiding Bishopric prior to the withdrawal of any Church Funds based upon the following schedule:

<u>Amount of Church Funds to be Withdrawn</u>	<u>Number of Banking Days' Notice</u>
Up to \$100,000.00	at least seven (7)
Over \$100,000.00	at least fourteen (14)

There will be no charge for withdrawals if paid by check or electronic funds transfer within the United States. Funds may be transferred via wire; however, the Local Jurisdiction shall be responsible for paying the expenses incurred by the Presiding Bishopric to send the wire transfer. The Presiding Bishopric, in its sole discretion, may deduct such expenses from the Church Funds or have the Local Jurisdiction submit separate payment for such expenses.

7. Unless a Local Jurisdiction has complied with the Church's current policies and procedures for establishing a jurisdictional endowment, Church Funds held in the Investment Pool shall not be considered to be a part of any endowment, including any jurisdictional endowment. Naming a Local Jurisdiction's account in the Investment Pool an endowment will not establish it as such.
8. The Presiding Bishopric shall periodically make available to the Local Jurisdiction electronic records regarding asset allocation and historical earnings of the total funds held in the Investment Pool. In addition, the Presiding Bishopric shall make available monthly electronic statements regarding the use and performance of the Church Funds in the Investment Pool. Such monthly statements shall only be available electronically. The Local Jurisdiction shall provide the names and contact information for at least two unrelated individuals authorized as signers on its behalf and shall keep said information up-to-date if and when such individuals, or their contact information, changes. By providing such information, the Local Jurisdiction authorizes said individuals to access account statements, initiate transactions including transfers and withdrawals, and to communicate with World Church regarding the account.
9. These Terms of Service are subject to future modification and revision by the Presiding Bishopric at any time and subject to the policies and practices of the Church. The Presiding Bishopric will review these Terms of Service annually and make any updates available for Local Jurisdictions on the Church's website.

These Terms of Service will be posted on the Church's website and distributed to the following for further distribution:

World Church Leadership Council  
Field Leadership, such as Field Bishops and Field Support Ministers  
Mission Center Officers  
Fiscal Services  
Office of General Counsel  
Risk Management

**INVESTMENT POOL AGREEMENT FOR  
JURISDICTIONS AND AFFILIATES**

**Exhibit A – Cost Schedule**

On a monthly or annual basis, the Presiding Bishopric shall deduct the following amounts from the Church Funds to provide for investment expenses and accounting services, with the amount deducted being calculated by applying the average account balance of the Local Jurisdiction to the following schedule:

<b>Average Account Balance</b>	<b>Per Annum Cost Allocation as % of balance</b>
Less than \$100,000	0.4% times balance
At least \$100,000 but less than \$1,000,000	0.4% times \$100,000 plus 0.3% times balance in excess of \$100,000
At least \$1,000,000 but less than \$3,000,000	0.4% times \$100,000 plus 0.3% times \$900,000 plus 0.2% times balance in excess of \$1,000,000
At least \$3,000,000 but less than \$5,000,000	0.4% times \$100,000 plus 0.3% times \$900,000 plus 0.2% times \$2,000,000 plus 0.1% times balance in excess of \$3,000,000
\$5,000,000 or more	0.4% times \$100,000 plus 0.3% times \$900,000 plus 0.2% times \$2,000,000 plus 0.1% times \$2,000,000 plus 0.05% times balance in excess of \$5,000,000