



## **Investment Policy Statement for Dedicated Funds of St. John's Episcopal Church - Royal Oak, Michigan**

### **Purpose of this Statement:**

This policy statement outlines the process for establishing goals and investment objectives of the four (4) Dedicated Funds of St. John's Episcopal Church, Royal Oak, MI (the funds). This document outlines certain specific investment policies that will govern how the funds goals are to be achieved and defines the responsibility of the Investment Committee and other parties with responsibility for the management of the Funds.

### **The Investment Committee:**

The Investment Committee shall be made up of five (5) pledging members of St. John's Episcopal Church, Royal Oak, MI, including the Finance Committee Chair, one (1) additional member of the Finance Committee, one (1) member of the Vestry and two (2) at large members of the congregation as recommended by the Rector and approved by the Vestry. The committee shall have oversight over the dedicated funds of St. John's Royal Oak.

### **Establishing Investment Objectives:**

The Investment Committee with direction and approval from the Vestry shall establish an Investment Objective for each of the dedicated funds based on the level of assets in the fund, anticipated expenditures and the Spending Policy of the Fund. These objectives shall be reviewed at a minimum annually and reported on through St. John's Annual Report.

### **Investment Vehicles:**

The Investment Committee shall use an appropriate mix of Domini Money Market fund and The Episcopal Growth and Income fund based on the above established investment objectives for each fund, until such time as a fund has sufficient assets for the investment committee to establish an Investment Policy that meets the liquidity needs and long-term investment goals for the fund in a cost effective manner.

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### **Investment Committee Responsibilities:**

The Investment Committee is responsible for establishing the Investment Policy for each fund, based on the level of assets in each fund and the *Vestry's plans for use of the funds in the coming year*. This shall be done annually after the upcoming year's annual operating budget is set by the Vestry.

The Investment Committee is responsible for evaluating the costs, potential returns and risk profile associated with each investment option the committee is considering for a Dedicated Fund. If the Investment Committee decides to hire a professional Investment Manager to help establish the investment Policy for a fund, proper due diligence should be taken, including but not limited to: reviewing the firm's ADV<sup>1</sup> for potential conflicts of interests, evaluating the fee schedule, and understanding the level of fiduciary responsibility the manager accepts.

The Investment Committee is also responsible for the ongoing monitoring of the investment performance of each of the funds and considering changes as needed.

### **Annual Reporting Requirements:**

The investment committee shall be responsible for preparing an annual report for each of the dedicated fund investments, to be approved by the Vestry, signed by the Rector, Sr. Warden and Finance Committee Chair and presented concurrent with the annual meeting.

These reports will include at a minimum for each fund: the investment objectives, detailed year over year accounting, and investment performance relative to an appropriate benchmark.

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<sup>1</sup> The ADV form is used by investment advisers to register with both the Securities and Exchange Commission (SEC) and state securities authorities.