

Financial Policy Update – Audit and Investment Committee

June 27, 2021

The Audit and Investment Committee met on May 18, 2021, to complete their assignment to review the financial policy recommendations from Foreground Vision Committee #3 with the Church of the Brethren Finance office.

The following updates were made to the financial policies by the Audit and Investment Committee and come to the Mission and Ministry Board for approval at the June 2021 meeting:

- 1) **Recommendation:** Update the nomenclature to reflect changes in personnel positions.
Response: Yes, this will be done.
Financial Policy Application: Changes made throughout the financial policies document.
- 2) **Recommendation:** Can positions be described rather than named by title, so the document has better longevity?
Response: We think it would be clearer and less confusing to continue to state positions by title – titles do not change that often and can be easily updated as needed.
Financial Policy Application: Positions will continue to be named by title throughout the financial policies document.
- 3) **Recommendation:** Question about Brethren Press retaining “separate legal counsel.”
Response: The Brethren Press trademark attorney is very familiar with our trademarks and provides a legal expertise separate from our corporate attorney. We will edit the sentence to read, “Brethren Press is responsible to retain legal counsel for copyrights and trademarks.”
Financial Policy Application: Section 1. Accounting Policies – C. Legal Matters
- 4) **Recommendation:** How can we put Church Loan Funds into service so the balance is depleted, and this paragraph can be removed?
Response: These funds have been earmarked to offset budgeted shortfalls in prior years. We are planning to use them, but fortunately, we have not had to use them yet. We will remove this paragraph and the funds will be added to the redirected funds/budgeted shortfalls designated fund with the other reserves. We will keep track of them separately within the redirected funds/budgeted shortfalls designated fund.
Financial Policy Application: Section VI. Funds Without Donor Restriction – E. Church Loan Fund
- 5) **Recommendation:** Can we remove Church Mortgage Loan section from the financial policies?
Response: Past iterations of the financial policies provide historical reference, so we can remove this reference. We will also remove the gift-related mortgages reference in this section.
Financial Policy Application: Section VIII. Investments and Loans – C. Loans 1 & 2
- 6) **Recommendation:** Should there be a provision whereby the 9% Ministry Enablement Contribution is reviewed periodically?
Response: Yes, we will add a sentence to the financial policies that states, “the General Secretary, Treasurer, and Assistant Treasurer will review the 9% Ministry Enablement Contribution periodically and recommend any changes, as necessary.”
Financial Policy Application: Section VII. Funds With Donor Restriction

- 7) **Recommendation:** Question about contingency plans for other funds – similar to Emergency Disaster Funds.
Response: Yes, we will add similar language for Global Food Initiative and Emerging Global Mission – wherever possible, depending on staff availability.
Financial Policy Application: Section VII. Funds with Donor Restriction – A, B, & C
- 8) **Recommendation:** Question about adding “See also Section VII.E. Non-Budgeted Contributions” to Section VII.
Response: The non-budgeted contributions statement does not apply to the other contributions mentioned in this section.
Financial Policy Application: No changes made to the financial policies.

Audit and Investment Committee:
Diane Mason, Chair
John Hoffman
Marty Barlow