

Highland Mennonite Brethren Church Governance Manual - FINANCES Strategic Fund Policy

Preamble

The Highland Mennonite Brethren Church ("HMBC") Strategic Fund was created in 2005 after receiving a substantial bequest. Although the bequest wording suggested some ways in which the funds might be used, HMBC was the sole beneficiary with no conditions attached. A third of the bequest was immediately disbursed to support several ministry partners, an insubstantial amount went to legal fees, and two thirds were invested in a portfolio administered by the Canadian Conference of Mennonite Brethren Churches (CCMBC). This investment with the CCMBC has come to be known as the Strategic Fund ("SF").

To begin with, decisions on funding projects from the SF were made solely by the Leadership Team ("LT") with input from a Bequest Committee and simply passed on to the Membership as information. Since 2008 – when this *Strategic Fund Policy* was first approved - the Membership has specifically directed use of funds from the SF by voting on motions presented at membership meetings or by following established policies.

In broad strokes, the Membership agreed that the SF

- would not be used to fund ongoing operational costs;
- would be used to fund more than just capital projects;
- would be used to pursue the mission (strategic plan) of HMBC;
- would be used to support first-year Bible School/College students;
- would be used to support Short Term Mission participants.

Projects are rarely funded from the SF principal; they are funded almost exclusively from SF interest. The purchase of the house next door was funded from the SF principal. Projects funded from SF interest have included renovations, a sound system upgrade, a sabbatical, compassionate and mission support, and a withdrawal to meet financial obligations when there was a shortfall in the General Fund. When projects that were approved to be funded from SF interest are able to be covered from the General Fund the money remains in the SF.

Policy

The Strategic Fund was created to

- accept funds from estates and other donations;
- accumulate principal and income;
- be distributed as specifically directed by HMBC membership or according to policies established by HMBC.

Operating Policies for the Strategic Fund:

1. Funds will be administered by the Finance Team,
2. Funds designated by donors will be added to the Strategic Fund,
3. Funds will be invested in a low risk conservative manner,
4. In general, the principal will not be used unless specifically directed by HMBC membership,
5. In general, projects will not be funded exclusively from the SF. Some money should come from either fundraising or the annual budget.

In addition:

- A \$1,000 budget line to support full-time students in their first year at a Bible School/College will be provided from Strategic Fund interest (see *First Year Bible Student Support Policy*).
- A \$2,000 budget line to support Short Term Mission participants will be provided from Strategic Fund interest (See *Short Term Mission Policy*).