

GLR Policies/ Procedures

I. REGIONAL BOARDS/COMMITTEES

A. Investment Committee

The Regional Board of Administration (RBA) will appoint a minimum of 5 people, including the Regional Superintendent and Regional Treasurer, to form the Great Lakes Region Investment Committee.

B. Conference Action Committee

In the year prior to a General Conference of The Wesleyan Church, the RBA will appoint a Conference Action Committee to prepare any potential memorials for Regional Conference.

II. CONFERENCE (Local/Regional)

A. Fiscal Year

The conference year for all local churches and regional auxiliaries and treasurers within the GLR shall be June 1 – May 31 and all funds shall be postmarked by June 15 to the proper regional officials. The conference year for the Regional Treasurer shall follow concurrently that of the local churches of the GLR.

B. Local Church Conference/Regional Year End Reports

Annual local church conferences shall be held in a timely manner to accommodate the deadlines as outlined by the regional office. The regional office will notify all regional personnel of deadlines for all reports required, in preparation for the end of the church year and Regional Conference.

III. FINANCES

A. USF

1. Payments of each church's USF responsibility should be paid monthly and sent to the regional office.
2. Issues pertaining to USF will be followed up on by regional personnel. The RBA can move to reclassify a church to developing church status if USF is not paid (Disc. 510.)

B. Pastors of Church Planting and Developing Church Status

All churches in developing church status receiving financial aid from the Regional Office, shall report monthly income received by the local church and all other regional sources, along with other reports required by the regional office. Regional aid payments to church plants will not be disbursed until the previous month's report is received.

IV. LOCAL CHURCH

A. Background Checks for Church Staff & Volunteers

1. Each church shall conduct a national background check on all paid ministry or paid childcare staff prior to employment.

2. Each church shall, at a minimum, conduct a formal background check on all adult volunteer staff who, as part of a church activity regardless of where the ministry event is held, work with or around children 18 years old and younger, or vulnerable adults such as senior or special needs. A background check on a volunteer would include name, date of birth, references, and an option for a person to submit their Social Security Number, but this would not necessarily be a requirement.

An option for background checks would include "Protect My Ministry." If a person is unable to produce a Social Security Number or does not want to produce one, this organization will have the person enter all 1's instead of the applicant's SSN. The SSN is not essential for a criminal search as records are searched by name and DOB. While it does weaken the overall search capabilities of the databases, it does allow those to keep their privacy with the government. It is recommended that the local background checks be updated annually on all adult volunteers.

3. It is the responsibility of the Lead/Solo Pastor to ensure the privacy of the volunteers and the confidentiality of the background check results.

B. Workers Compensation Insurance

The Great Lakes Region of The Wesleyan Church shall arrange for a group workers compensation insurance policy, either by the region or by state. All local churches within the boundaries of The Great Lake Region shall carry workers compensation insurance for all paid employees, including pastoral staff.

C. Document Retention

The Church shall retain documents for the period of their immediate or current use, unless located in the retention schedule within GLR Recommendations and Resources for Ministry. Documents that are not listed, but are substantially similar to those listed in the schedule shall be retained for the appropriate length of time. For more information please refer to document GLR Recommendations and Resources for Ministry, roman numeral II.

V. MINISTERIAL

A. Appointment

1. Pastoral Review

In a year when a pastor's call is coming to a close, a representative from the region will conduct a pastoral review with the Local Board of Administration.

2. Voting to Renew a Pastor

The vote to renew a pastor's call, including extended calls, shall take place between February 1 – March 15 or as approved by the Regional Superintendent or his/her representative. The voting shall be done in accordance with the requirements of The Discipline 690-722.

3. Pocket Credentials

Pocket credentials will be available to approved personnel annually.

B. Ministry Service Recognition

1. Pastoral Years of Service

The ministers of the Great Lakes Region shall be recognized for their service as ministers of the Gospel of Jesus Christ. GLR Human Resources (HR) will create an appropriate way to honor our ministers.

2. Retirement Appreciation

Pastors and evangelists who have served the Wesleyan Church shall be recognized and thanked in a meaningful way. GLR HR will create an appropriate way to honor our retired ministers.

C. Ministerial Vacation

The GLR believes that taking time off and having a vacation is essential to the overall health of a pastor. The church will be responsible for compensating any pulpit supply that is needed when the pastor is on vacation. For more specific information, please see the GLR HR document/guide.

D. Education

The GLR believes in investing in our regional personnel and will make every effort to offer support for education. We also encourage the Local Church to provide funds on a yearly basis for continuing education of their pastor(s) and staff. For more specific information, please see the GLR HR document/guide.

E. Counseling

The GLR believes in the health of our pastors and their families. Upon approval from the Regional Superintendent or his/her representative, Christian counseling will be provided. For more specific information, please see the GLR HR document/guide.

F. District Ministerial Attendance

The GLR expects all pastors to attend the annual Regional Conference and other events specified by regional leadership (2-3 maximum events a year). It is recommended that the local church cover the expenses for their pastor(s), whether they are full-time, part-time or a Licensed Minister to fulfill this expectation.

VI. OPERATING POLICIES

A. Organizational Model

In an effort to provide excellence in leading, effective fruitfulness through all forms of ministry, transformational growth within the body of Christ and healthy pastors pastoring healthy churches, GLR will create clear leadership boundaries and accountability based on an organizational model that distinctly clarifies the roles of the Regional Board, Regional Superintendent, Regional Staff, and all Local Churches.

1. The Local Churches are bodies of believers who carry out the mission and ministries of God's Kingdom as governed by The Wesleyan Discipline and under the guidance and support of the GLR leadership.
2. The Regional Board Of Administration is the governing team, supporting the Regional Superintendent's leadership.
3. The Regional Superintendent is the leader of our region both spiritually and organizationally.

4. The Regional Staff are the managers of all ministry operations and work for the Regional Superintendent, providing support for existing local churches and future local churches.

B. Guiding Principles

1. Mission Principles

This is the object of the game.

The Mission Principles define for the Regional Superintendent what difference this existence of this organization makes, for whom, and to what extent.

The Great Lakes Region of The Wesleyan Church exists to increase the number of healthy, multiplying Wesleyan churches. Our current vision is to be a Spirit-empowered movement of healthy, multiplying churches.

a) Component: Regional Ministries

The top priorities of the region will be evangelism and church multiplication, leadership development, soul care, and church equipping.

(1) Detail: Evangelism and Church Multiplication

Planting healthy, multiplying churches among every people group.

(2) Detail: Leadership Development

Developing effective local church leadership.

(3) Detail: Soul Care

Calling the pastors to lead from a well ordered soul.

(4) Detail: Church Equipping

Providing training for the purpose of growing healthy churches.

b) Component: Global Ministries

A second-level priority of the region will be networking congregations and resources to plant and grow healthy, multiplying Wesleyan churches beyond the cultural and geographical boundaries of the region.

c) Component: Strategic Partnerships

A third-level priority of the region will be working with other evangelical ministries, regardless of denomination or organization, to plant and grow healthy churches through alliances and projects that create a win for each ministry and for the advancement of God's Kingdom.

2. Boundary Principles

These are the rules of the game.

Defining the limits of acceptable means that the Regional Superintendent is hereby authorized to use in achieving the Mission.

The purpose of the following policies is to help define the limits of acceptable means that the Regional Superintendent is hereby authorized to use in achieving the mission.

Comprehensive Boundary Statement

The Regional Superintendent shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, unethical, unbiblical, or contrary to The Discipline of The Wesleyan Church. The Regional Superintendent shall not interpret these Guiding Principles in any way that the board may determine to be unreasonable.

a) Component: Biblical and Moral Integrity

With regard to teaching and leadership the Regional Superintendent shall not fail to uphold high standards of Biblical teaching and morality.

b) Component: Financial Planning and Budgeting

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's Mission Principles nor shall the planning bring about a risk of financial jeopardy.

(1) Detail: Sufficient Information

The Regional Superintendent shall not allow budgeting that contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, relation of expenditures to Mission Principles, and disclosure of multi-year planning assumptions.

(2) Detail: Expenditures within Projected Funds

The Regional Superintendent shall not allow budgeting that plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period, unless special circumstances are adequately described including a realistic plan to make up the deficit within the following fiscal year.

(3) Detail: Asset and Cash Margins

The Regional Superintendent shall not allow budgeting that intentionally creates a debt to equity ratio of greater than 30% or allows cash and readily marketable securities to drop below a safety reserve of less than three months' expenses.

(4) Detail: Board Funding

The Regional Superintendent shall not allow budgeting that provides less for board activities during the year than is set forth in the Cost of Governance Principle, VI B 3 b 7.

(5) Component: Financial Condition and Activities

With respect to the actual, ongoing financial conditions and activities, the Regional Superintendent shall not allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Mission Principles.

(6) Detail: Expenditures

The Regional Superintendent shall not expend more funds than have been received in the fiscal year to date unless the following debt guideline, VI B 2 c (2), is met.

(7) Detail: Payroll and Debt Settlement

The Regional Superintendent shall not fail to settle payroll and debts in a timely manner (unless prior approval is given by the Regional Board of Administration for these debts.)

(8) Detail: Government Payments and Filings

The Regional Superintendent shall not allow tax payments, if any, or other government-ordered payments or filings to be overdue or inaccurately filed.

(9) Purchase Cap

The Regional Superintendent shall not make a single expenditure of greater than \$25,000, (unless approval has been received by the Executive Team of the Regional Board of Administration.)

c) Component: Asset Protection

The Regional Superintendent shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

(1) Detail: Insurance

The Regional Superintendent shall not fail to insure against theft and casualty losses to at least 80 percent of replacement value and against liability losses to board members, staff, and the region itself in an amount greater than the average for comparable organizations.

(2) Detail: Bonding

The Regional Superintendent shall not allow either uninsured or unbonded personnel access to material amounts of funds.

(3) Detail: Facilities and Equipment

The Regional Superintendent shall not subject facilities and equipment to improper wear and tear or insufficient maintenance.

(4) Detail: Liability

The Regional Superintendent shall not unnecessarily expose the organization, its board, or its staff to claims of liability.

(5) Detail: Purchases

The Regional Superintendent shall not make any purchase:

- (a) wherein normally prudent protections have not been made against conflict of interest.

(b) of over \$1,000 without having made comparisons of prices and quality.

(c) of over \$5,000 without a stringent method of assuring the balance of long-term quality and cost.

(6) Detail: Information Protection

The Regional Superintendent shall not fail to protect intellectual property, information, and files from loss or significant damage.

(7) Detail: Auditor

The Regional Superintendent shall not receive, process, or disburse funds under controls that are insufficient to meet the board-appointed auditors' standards.

(8) Detail: Investments

The Regional Superintendent shall not allow staff or investment managers to put investments at undue risk by operating contrary to the investment policy statement.

(9) Detail: Public Reputation

The Regional Superintendent shall not endanger the organization's public image or credibility, particularly in ways that would hinder accomplishment of its mission.

d) Component: Compensation and Benefits

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Regional Superintendent shall not cause or allow jeopardy to fiscal integrity or public image.

(1) Detail: Regional Superintendent Compensation

The Regional Superintendent shall not change his/her own compensation and benefits.

(2) Detail: Promise of Employment

The Regional Superintendent shall not promise or imply permanent or guaranteed employment.

(3) Detail: Market Value

The Regional Superintendent shall not establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

(4) Detail: Term of Compensation

The Regional Superintendent shall not create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.

(5) Detail: Fairness of Benefits

The Regional Superintendent shall not establish or change

health or pension benefits so as to cause unpredictable or inequitable situations. All salary, benefits, and HR practices will be collaborated on with Regional HR team and Regional Superintendent.

e) Component: Treatment of Staff

With respect to the treatment of paid and volunteer staff, the Regional Superintendent may not cause or allow conditions that are unfair or illegal.

(1) Detail: Personnel Policies

The Regional Superintendent shall not operate without concise personnel policies that clarify rules for staff, provide for effective handling of grievances, and protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

(2) Detail: Grievance

The Regional Superintendent shall not prevent staff expressing a grievance to the board (Executive Team) when (1) internal procedures have been exhausted, and (2) the employee alleges that either board principles have been violated to his/her detriment or that board principles do not adequately protect his/her human rights.

(3) Detail: Notice

The Regional Superintendent shall not fail to acquaint staff with their rights according to these principles.

f) Component: Communication with and Support to the Board

The Regional Superintendent shall not permit the board to be uninformed or unsupported in its work.

g) Component: Real Property

The Regional Superintendent, or his/her designated representative, shall not buy, sell, or manage real property in a manner that fails to put maximum resources to work for the mission of the region and to aid the broader advance of God's Kingdom through win-win ventures with other like-minded ministries.

(1) Detail: Maximum Resources for Mission

The Regional Superintendent shall not allow real property of the region to remain underproductive when there is an opportunity for it to better advance the current mission priorities of the region through its usage, lease, or sale.

3. Accountability Principles

This defines the way to keep score.

Defining for the Regional Board of Administration the standards to uphold for enforcing the integrity and fulfillment of the board's process.

Comprehensive Accountability Statement

The accountability of the board before God, on behalf of the member churches of the Great Lake Region, is to see that regional staff, through the leadership of its Regional Superintendent, (1) achieves the fulfillment of its Mission Principles, and (2) avoids violation of its Boundary Principles.

a) Component: Connecting the Region to Its “Moral Owners”

The board shall maintain an active connection with the “moral ownership” of the region: Christ and the churches He has called the Great Lakes Region to serve.

(1) Detail: Devotion to Prayer and the Word of God

Under the teaching and guidance of the Regional Superintendent, the board will continually seek the wisdom and leading of Christ as the Lord of His church. To this end, significant attention will be given to prayer and study of Scripture as a group.

(2) Detail: Constituent Input and Feedback

The board will receive input and feedback from member churches to better understand their needs. The board will arrange an independent assessment by a competent consultant not less than once each quadrennium.

(3) Detail: Demographic and Cultural Research

The board will invest significant resources each year to enhance its understanding of the needs of people in the communities and cultures where it is planting, revitalizing, and resourcing churches.

b) Component: Maintaining the Process of the Board

The board shall conduct itself with discipline and integrity with regard to its own process of governance.

(1) Detail: Board Style

The board will govern with an emphasis on

(a) outward vision rather than internal preoccupation.

(b) encouragement of diversity in viewpoints.

(c) strategic leadership more than administrative detail.

(d) clear distinction of board and staff roles.

(e) collective rather than individual decisions.

(f) future rather than past or present.

(g) proactivity rather than reactivity.

(2) Detail: Board Job Responsibilities

The essential responsibilities of the board are linkage to the

people served, definition of the Guiding Principles, and monitoring of Regional Superintendent performance. In addition to these three essentials, the board shall exercise authority granted to it in The Discipline of The Wesleyan Church and the standing rules and not otherwise delegated to the Regional Conference or the Regional Superintendent.

(3) Detail: Board Member Code of Conduct

The board commits itself and its members to the following code of conduct:

- (a) Members of the board must represent un-conflicted loyalty to the interests of Christ regarding those whom He has called the region to serve (Matt. 28:18-20). This loyalty supersedes any personal or group interest among or outside consumers of the regional's services. A member must disclose any conflict of interest, fiduciary or otherwise, and withdraw from any decision-making affected by it.
- (b) Members of the board must honor the principles and decisions of the board acting as a whole. They may not foster dissent or attempt to exercise individual authority over the staff or the organization except as explicitly stated in the Guiding Principles.
- (c) Members of the board must respect the confidentiality of sensitive board issues and must avoid facilitating gossip or other "triangulation" against the practice of direct, Biblical resolution.

(4) Detail: Responsibility of the Vice-Chairperson for Integrity of Process

The vice-chairperson enforces the integrity and fulfillment of the board's process. The Vice-Chairperson is authorized to use any reasonable interpretation of the Accountability Principles as he/she acts to ensure the integrity of the board's process.

(5) Detail: Responsibility of the Regional Superintendent for Visionary Leadership

The Regional Superintendent has the responsibility, authority, and accountability to serve as the primary leader of the region at every level: constituents, board, and staff. With respect to the board, the Regional Superintendent will provide the primary vision and guidance in a collaborative spirit on all actions except for monitoring of Regional Superintendent performance. If a question of process arises with regard to the standing rules or Guiding Principles of the Region, the Regional Superintendent will defer to the judgment of the Vice-Chairperson.

(6) Detail: Use of Board Committees

Board committees, if used, will be assigned so as to reinforce

the wholeness of the board's job and never to interfere with the delegation from the board to the Regional Superintendent or with the work of the staff.

(7) Detail: Cost of Governance

The board will invest amply in its own governance capacity through training, outside expertise, research mechanisms, and meeting costs.

c) Component: Monitoring the Performance of the Regional Superintendent

The board's sole official connection to the operating organization of the region, its achievement, and conduct shall be through the Regional Superintendent.

(1) Detail: Unity of Control

Only decisions of the board acting as a whole are binding on the Regional Superintendent.

(2) Detail: Accountability of the Regional Superintendent

The Regional Superintendent is the board's only link to operational achievement, and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the Regional Superintendent.

(3) Detail: Delegation to the Regional Superintendent

The board will instruct the Regional Superintendent through written principles that prescribe the mission to be achieved and establish the boundaries to be respected, allowing the Regional Superintendent to use any reasonable interpretation of these principles with the established boundaries.

(4) Detail: Performance of the Regional Superintendent

Systematic and objective monitoring of the Regional Superintendent's job performance will be solely against regional accomplishment of the board's Mission Principles and regional operation within the board's Boundary Principles.

(a) The Regional Superintendent will be required to write measurable goals each year that correspond to each of the board's mission principles.

(b) Each year the board shall review the results achieved by the Regional Superintendent on each of the annual goals, as the basis of either a raise or corrective action.

VII. Investment Policy Statement

A. Objectives And Guidelines

These investment objectives and guidelines are to be used in the management of assets of The Great Lakes Region of The Wesleyan Church, Inc. The funds in the portfolio are the result of the receipt of local church assessments, contributions,

donations, grants, legacies, bequests as well as from the sale of property owned by the Great Lakes Region of The Wesleyan Church, Inc. The funds come from local churches, institutions, and private donors. The funds governed by this policy are for four specific needs:

1. Funds are for the development of new churches (i.e. - Church Planting Fund);
2. Funds are for the general operation of the Great Lakes Region of The Wesleyan Church, which includes the group medical insurance plan offered by the region;
3. Funds are used to assist churches in times of emergency (i.e. – Revolving Loan Fund); and,
4. Funds provide financial resources in times of crisis as approved by the Regional Board of Administration.

B. Physical Boundaries

The Great Lakes Region of The Wesleyan Church, Inc. is a district of The Wesleyan Church, Incorporated, which has its headquarters in Indianapolis, Indiana. The Great Lakes Region comprises of 2 states; Michigan and Illinois.

C. The Charge

The Great Lakes Region is charged with the supervision and oversight of the established Wesleyan churches and the development of new Wesleyan churches within its jurisdiction. The Regional Board of Administration of The Great Lakes Region of The Wesleyan Church, Inc. acting in conjunction with the Investment Managers, with the sole purpose of providing for the beneficiaries, hereby agree to the following guidelines, policies, responsibilities and obligations as follows:

1. ARTICLE I- PURPOSE OF THIS INVESTMENT POLICY STATEMENT

- a) This statement of Investment Policy outlines the goals, objectives, and guidelines for the Funds and is set forth in order that:

- (1) The Board understand the investment objectives.
- (2) Policy is designed to properly diversify Fund holdings.
- (3) The Investment Manager is given guidance and limitations in the Fund holdings and assets.
- (4) The Board has a basis for evaluating Funds and Investment Manager performance.

- b) Funds shall be invested under the Prudent Man rules.

- (1) The investment of Funds will be for the exclusive purpose of providing benefits for the participants and their beneficiaries
- (2) Investments shall be prudently selected and properly diversified
- (3) Asset allocation guidelines are established

- c) It is the intent of this document to state general attitudes, guidelines, and a philosophy, which will guide the Investment Manager toward the performance desired. It is intended that the investment policies be sufficiently specific to be meaningful, but adequately flexible to be practical.

2. ARTICLE II- RESPONSIBILITIES OF THE BOARD

- a) The specific responsibilities of the Board in the investment process includes and are limited to:
 - (1) Determining the Fund's projected financial needs and communicating such needs to the Investment Manager on a timely basis
 - (2) Expressing the Funds overall risk tolerance level
 - (3) Developing sound and consistent investment policy guidelines, which the Investment Manager can use in formulating corresponding investment decisions
 - (4) Establishing reasonable investment objectives
 - (5) Selecting qualified Investment Managers
 - (6) Communicating clearly the major duties and responsibilities of the Investment Manager
 - (7) Monitoring and evaluating performance results to assure that policy guidelines are being adhered to and that objectives are being met
 - (8) Taking appropriate action to replace an investment manager or investment, for failure to perform as expected
- b) The Board recognizes their role is advisory as to investment strategy and policy, but the determination and selection of specific investments and securities must be delegated to the Investment Manager.
 - (1) The investment policy objectives, goals, and guidelines that follow should represent the consensus of the Board's philosophy regarding the investment of the Fund's assets. The Statement of Investment Policy will need to be reviewed and possibly revised from time to time to ensure that the Statement continues to reflect the Board's attitudes, expectation, and objectives.
 - (2) Custodial services:
The Trustees will select a suitable "Custodian" to oversee all securities and brokerage transactions, and will provide monthly detail of all such transactions to both the Great Lakes Regional Office and the Regional Board of Administration.

3. ARTICLE III- RESPONSIBILITIES OF THE INVESTMENT MANAGER

a) Adherence to Statement of Investment Policy

- (1) The Investment Manager is expected to respect and observe the specific limitations, guidelines, attitudes, and philosophies stated herein, or as expressed in any written amendments of instructions.
- (2) The Investment Manager's acceptance of the responsibilities to manage assets of the fund will constitute a ratification of this Statement of Investment Policy, affirming the belief that they are realistically capable of achieving the fund's objectives within the guidelines and limitations stated herein.

b) Discretionary Authority:

Investment Manager will be responsible for making all investment decisions on a discretionary basis regarding all assets placed under its jurisdiction and will be held accountable for achieving the investment objectives indicated herein. Such discretion shall include decisions to buy, hold, and sell securities in amount and proportions that are reflective of the Investment Manager's current investment strategy and compatible with the Fund's investment guidelines.

(1) Communication:

- (a) Investment Manager will keep the Trustees informed on a timely basis of major changes in its investment outlook, investment strategy, asset allocation, and other matters affecting their investment policies or philosophy.
- (b) The Board also expect to be informed of any significant changes in the ownership, organizational structure, financial condition, or senior staffing of Investment Manager's firm.
- (c) Whenever Investment Manager believes that any particular guidelines should be altered or deleted, it will be the Investment Manager's responsibility to initiate written communications with the Board expressing its views and recommendations.
- (d) The Investment Manager must notify the Board, in writing, of the benchmark it will use for performance measurement.

(2) Reporting:

- (a) The Board expect to receive timely notices of transactions and activities as well as quarterly performance reports.
- (b) In addition, any information needed to assist Trustees in conducting their evaluation of the Investment Manager's

performance as it relates to Fund assets will be presented on a timely basis.

(3) Proxy Voting:

- (a) The Investment Manager, as part of its duties and responsibilities, shall have the sole and exclusive right to vote any and all proxies solicited in connection with securities held by the fund.

4. ARTICLE IV- INVESTMENT OBJECTIVES

The overall investment objective for the Fund's assets is to focus primarily on the preservation of capital, with moderate growth. The Fund will seek to provide good liquidity, current income, and moderate growth. The fund is a balanced portfolio composed of equity, fixed income, and cash equivalent securities and, as such, is intended to be more aggressive than fixed income oriented portfolios and less aggressive than equity oriented portfolios. In this context, "aggressive" relates to such issues as investment vehicles, diversification among economic and industry sectors and individual securities, and expected long-term rates of return and return volatility. Within this framework, the investment objectives for the fund are stated below, in order of importance:

- a) Liquidity -
To maintain sufficient liquidity to provide for the ongoing payments of the fund.
- b) Preservation of Capital -
Over the investment time horizon, capital gains and principle, are to be protected.
- c) Preservation of Purchasing Power -
Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation in order to preserve the purchasing power of the participant's assets.
- d) Long-term growth of Capital -
It is recognized that short-term fluctuations may result in the loss of capital earned on occasion (i.e. negative rates of return). Long-term growth will provide the increase of purchasing power, discussed in point

5. ARTICLE V- INVESTMENT GOALS

We recognize that the measurement of investment performance cannot be done by any one statistic. Like all complex programs, it is important to use different data points or benchmarks to properly assess the overall performance of the funds. We ask that each manager continue to provide a quarterly performance "monitor" that provides statistics the following: quarterly return (% and \$), year-to-date return (% and \$), current asset allocation in equities/fixed/cash, total funds in the plan and any other data the portfolio manager deems important. **The goal of the fund is to provide returns in excess of inflation by approximately 200 basis points.** In addition to the

quarterly performance monitor, we ask that an annual report be submitted that reviews the return of the portfolio against the following factors.

- a) Comparison to the rate of inflation
- b) Comparison to the return of plan funds against the All Country World Index (ACWI)
- c) Comparison the Barclay's Bond AGG Index

6. ARTICLE VI- INVESTMENT GUIDELINES

The Board recognizes that the risk (i.e. uncertainty of future events and returns), volatility (i.e. the potential for variability of asset values), and the possibility of loss in purchasing power (due to inflation) are present, to some degree, in all types of investment vehicles. While high levels of risk are to be avoided, the assumption of prudent risk is warranted and encouraged to achieve satisfactory long-term results, consistent with objectives and fiduciary character of the Trust Fund.

a) Asset Allocation:

The portfolio's investment results are to be achieved at a moderate risk level, with a goal of relatively consistent annual returns, while acknowledging some potential for a negative return in any one year.

Asset Category	Minimum	Policy	Maximum
Common Stock	20%	40%	50%
Fixed Income	30%	60%	80%
Cash or Equivalent	0%	0%	50%

The Asset Mix Policy and acceptable minimum and maximum ranges established by the Regional Board of Administration represents a three to five year time frame. As such, rapid and significant market movements may cause the Fund's actual asset mix to occasionally fall outside the policy range, but it is expected that any divergence should be short-term in nature.

7. ARTICLE VII- INVESTMENT PERFORMANCE REVIEW AND EVALUATION

- a) Performance results for the Investment Manager will be submitted on a quarterly basis.
- b) Total fund performance will be measured against an appropriate index.
- c) The investment performance of the total portfolio and equity and fixed income segments (both in terms of return and risk) will be measured against commonly accepted benchmarks.
- d) Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this Statement.

e) While the Trustees intend to fairly evaluate the portfolio performance over the agreed period of evaluation, the Board reserves the right to change the Investment Manager if there is:

(1) Unacceptable justification of poor results.

(2) Lack of responsiveness to the Board's overall concern about the market, economic factors, and overall performance of the Funds.

(3) Failure to meet Board's communication and reporting requirements.

(4) In the Trustees' sole judgment, a change of Investment Manager, or investment vehicle, would benefit the Fund.

VIII. Other Entities

A. Wesleyan Woods, Vassar MI

1. The Wesleyan Woods property is owned by the GLR. It is operated as a faith based, non-profit campground by the Wesleyan Woods Corporation, under a lease agreement with the Region. The lease is to be reviewed and renewed at least 1 year before the current lease is to expire.
2. Pursuant to its Articles of Incorporation, the Wesleyan Woods Corporation shall be organized on a directorship basis, with six of its board members appointed by the RBA of the Great Lakes Region of The Wesleyan Church. The RBA shall annually receive and review the financial reports of the Wesleyan Woods Corporation to evaluate its viability and sustainability.

B. The East Michigan Christian Community Development Association (EMCCDA)

1. The East Michigan Christian Community Development Association is a sub-corporation of the Great Lakes Region. The ministry programming is administered by the Mosaic Church of Detroit.
2. The Great Lakes Regional Board of Administration shall appoint three individuals to serve as a part of the EMCCDA Board of Directors.

C. Whispering Pines Wesleyan Camp and Conference Center Board, Manton, MI

1. The Whispering Pines Wesleyan Camp and Conference Center property is owned by the GLR. The Whispering Pines Wesleyan Camp & Conference Center Board will have a minimum of five members appointed by the RBA to serve for two-year terms. At least half of the membership shall be on alternating terms.
2. The RBA will appoint the Director of Whispering Pines Wesleyan Camp & Conference Center Board as recommended by Whispering Pines Wesleyan Camp & Conference Center Board.

3. Policies and procedures for the Whispering Pines Wesleyan Camp & Conference Center Board will be stated in the District Ministries Policy and Procedure Manual.

IX. Review & Update

The Regional Board of Administration shall review the Standing Rules, Operating Policies, and Recommendation & Resources for Ministry annually and these documents shall be published after every new edition.