

ST. ANDREW'S MEMORIAL PRESBYTERIAN CHURCH

BOARD OF TRUSTEES MANDATE

The purpose of this document is to identify the responsibilities and obligations of the Board of Trustees (Trustees) and the authority provided to them by the Congregation. Members of the Trustees of St. Andrew's are voted to their positions by the Congregation. The Congregation entrusts the Trustees to act in the Church's best interest by protecting and enhancing its assets. According to the Book of Forms #149, *"The property of the Congregation is held by Trustees appointed by the Congregation in the manner provided for in the trust deed"*.

GENERAL

The Trustees of St. Andrew's Memorial Presbyterian Church serve God through faithful stewardship of the gifts provided to the Congregation. The Trustees have a fiduciary responsibility to handle the Church's property with the care, skill and diligence that a prudent person would care for his or her own property. The Trustees of the Church are indemnified by the Congregation unless outside the law. They are guided by The Book of Forms of the Presbyterian Church in Canada as well as the Trustee Act of Ontario.

The Trustees are responsible for the administration of the Memorial Funds, including the investment of these funds in instruments which strive to provide for both the protection of capital and its growth.

The Trustees hold the deed to the Church on behalf of the Congregation and they are responsible to secure adequate property/liability insurance on the building and its contents to protect against loss. The Trustees are responsible for signing all legal documents related to the purchase and sale of any Church property as agreed by the congregation with the approval of the Presbytery when necessary. The Trustees are also responsible for the signing of all documents related to the obtaining a loan or mortgage on Church property as agreed by the Congregation with the approval of the Presbytery.

FORMATION AND STRUCTURE

The Trustees shall consist of six elected members of the Congregation. Ideally a minimum of two Trustees will be ruling elders of the Church. Skill sets of the individual Trustees will vary. Ideally, legal, financial, and organizational expertise will be evident.

Trustees shall be elected at the Annual General Meeting and shall serve a three year term. The election of the Trustees shall be staggered so that no more than two Trustees would retire in the same year. Any member of the Congregation, as well as a former Trustee, is eligible for election to the Trustees. The exception being that a member of the Congregation may not simultaneously serve as a Trustee and as a member of the Finance Committee.

A request for nominations to the Trustees will be presented to the Congregation by the Chair of the Trustees at least 30 days prior to the Annual General Meeting. Such request must be printed in the Order of Service for three consecutive Sundays. Nominations are to be submitted to the Clerk of Session in writing and have a proposer and seconder. Nominations must indicate that the nominee is willing to serve a three year term. A list of nominations will be printed in the Order of Service on the Sunday immediately prior to the Annual General Meeting. Other nominations may be made up to and including the AGM. The election of Trustees will take place at the Annual General Meeting by secret ballot when necessary.

The Trustees will appoint one of its members to serve as Chairperson on an annual basis. Reappointment to this position is at the discretion of the Trustees. A secretary and treasurer will also be appointed annually. Quorum for a Trustee meeting will be 50%. Two Trustees signatures are required on documents required to be signed by Trustees.

Should a current Trustee be unable to serve a full term, an appointment to the Trustees would be made by the Kirk Session. This appointment would last until the next Annual General Meeting when an election would be held to complete the prescribed term. If a Trustee should cease to be a member of St. Andrew's Memorial Presbyterian Church, then he or she shall cease to be a Trustee.

If at any time there are no congregational Trustees acting hereunder, for any reason, the moderator and the clerk of the Presbytery of Brampton Presbytery, will automatically become congregational Trustees of the trust deed until other congregational Trustees are duly elected by the Congregation.

RESPONSIBILITIES

The Trustees are accountable to the Congregation. The Trustees have only the power mandated to them by the Congregation.

Bookkeeping: The Trustees must ensure that all transactions involving the Memorial Trust Funds are properly recorded and that source documents supporting the transactions are retained. All disbursements require dual signatures. The Trustees shall prepare financial statements for the Congregation and ensure that the books are audited annually.

Reporting: An annual report shall be prepared by the Trustees and presented to the Session for its approval. Once approved, this report will be presented to the Congregation at the Annual General Meeting.

Such report will include:

- 1.The current status of all trust funds of the Church.
- 2.The long and short term investment strategy of all funds.
- 3.A disposition of the income or capital from the trust funds during the past year.
- 4.A description of risk management activities.
- 5.The names of persons in whose memory donations have been given during the past year.
6. A plan outlining proposed spending of capital for the current year, if any.
7. Any additional matters which are of importance to the Congregation.

The Trustees may make an interim report to the Congregation at any time during the year of matters deemed advisable.

Minutes: All meetings must be properly recorded and minutes retained.

*Conflicts of Interest :*Any Trustee who cannot, for the sake of conscience or any other reason, carry out the wishes of the Congregation must resign in writing to the Session. Trustees must try to avoid conflicts of interest or the appearance of same. If a Trustee becomes aware of such a conflict, that person shall, without delay, disclose this interest in writing to the Trustees. The Trustees shall determine the extent to which such person shall not take part in any discussion or vote on such matter.

BEQUESTS AND MEMORIALS

St Andrews will accept only gifts recommended by the Trustees and approved by the Congregation for inclusion in the Memorial Trust Fund, the Manse Fund and the Session Fund. Session has delegated this authority to the Trustees.

The Trustees shall be responsible for the investment of such funds. These shall be invested with a financial institution as may from time to time be decided upon by the Trustees and shall be subject to the direction and supervision of the Trustees.

Any bequest that has not been specifically designated by the donor shall be considered as having been given to the Church in perpetuity. As a result, its use should benefit present members of the Congregation as well as members of future congregations. Only those items which will have a lasting effect on the Church in total and are not directly or indirectly related to the regular maintenance costs should be given consideration.

The Trustees may accept the following gifts.

1. Cash
2. Equities
 - a) Canadian stocks or warrants or rights listed on a recognized exchange
 - b) Non-Canadian common stocks or warrants, rights or depository receipts, including those:
 - i) stocks of U.S. corporations
 - ii) stocks of non-U.S. corporations
3. Canadian federal and provincial debt, and Canadian corporate debt instruments rated A or higher by the Canadian Bond Rating Service, and R-1 or higher by the Dominion Bond Rating Service.

INVESTMENTS

The investment goal of the trustees shall be to protect the principal while providing a rate of return equal to the rate of inflation over a period of time. It is recognized that there exists a tradeoff between the joint duties of protection of capital and providing for growth. The Trustees must diversify the investments of the trust property to an extent that is appropriate.

The Trustees may solicit financial expertise in order to advise in the process of investment strategies. This may include financial consultants, advisors, accountants or stockbrokers to assist in the process. However, the Trustees may not delegate the responsibility of investment decisions. The ultimate responsibility of care of the Memorial Trust Funds lies with the Trustees of St. Andrew's Memorial Presbyterian Church. The Trustees must be prudent in their decisions.

The Trustees must maintain the Memorial Trust Fund, the Manse Fund and the Session Fund as separate ledgers. However, they are permitted to pool the resources of each, if desired, into a *Consolidated Investment Portfolio* to take advantage of investment opportunities.

Securities received may be cashed or deposited into *The Consolidated Investment Portfolio*

The Consolidated Investment Portfolio shall abide by the following guidelines:

The recommended asset mix, based on long term risk and reward conditions, is subject to regular semi-annual reviews in order to best take advantage of capital markets as well as to any changes in the Church's circumstances.

The recommended asset mix ranges for the major asset classes, based on market value, are as follows:

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| Canadian stocks | 10% to 60% |
| Non-Canadian stocks | 0% to 30% |
| Fixed Income securities | 40% to 65% |

Investments in any one security shall not exceed 10% of the book value of *The Consolidated Investment Portfolio* at the time of purchase, unless the securities are guaranteed by the government of Canada or a Province of Canada. However:

When the gift of a particular stock exceeds the 10%, the Trustees may continue to hold it.

Where a gift is to be split between *The Consolidated Investment Portfolio* and the general operating account, the donor at the time of the gift must specify in writing the details of the split.

Investments may be made in the above asset classes either directly, or by holding units of a mutual fund investing in one or more of the asset classes. Investments may not be made in real estate.

SPENDING

No portion of the capital of *The Consolidated Investment Portfolio* shall be expended other than for investment without the expressed approval of the Congregation, as determined by a resolution passed at the Annual General Meeting or Special Meeting of the Congregation.

Requests for uses of trust funds must be submitted to the Trustees. Under no circumstances may trust funds be committed by any member of the Congregation without the prior approval of the Trustees.

REVOCATION

The Mandate may be varied in whole or in part at an Annual General Meeting or Special Congregational Meeting duly called and held in accordance with the procedure laid down in the Book of Forms of the Presbyterian Church in Canada.

Rev. January 25, 2015