

Centre for Christian Studies Endowment Fund Policy

Purpose Statement

The Centre for Christian Studies has established an Endowment Fund with the general purpose of sustaining the operation of CCS. This policy outlines the formation, purpose and restrictions regarding this Fund.

Fund Description

This Fund is established with the intention of utilizing the interest earnings to support the annual operation of CCS and its programs. The initial capital in the Fund of one million dollars (\$1,000,000) is to be transferred from CCS's Investment Fund. The money in the Investment Fund was realized from the sale of the property at 77 Charles St. in Toronto, in 1997. The terms of the Endowment allow for the release of capital from the fund, should CCS be in need of the money to sustain its operation.

Donors will be encouraged to make gifts to the Fund.

Donors wishing more involvement in the disbursement or allocation of their donation will be directed to an Externally Restricted or Unrestricted Endowed Fund. In addition, the Central Council may direct unrestricted donations or operating surpluses to the Fund.

Policy:

Terms of the Endowment Fund

Terms for the Fund as approved by the Central Council of the Centre for Christian Studies Canada, Inc., January 21, 2010:

1. The name of this Fund be the CCS Endowment Fund.
2. The CCS Endowment Fund shall be used to sustain the operation of the Centre for Christian Studies over the long term. The CCS Endowment Fund is an internally restricted fund for the operation of all aspects of the Centre for Christian Studies.
3. Additional gifts to the CCS Endowment Fund will be encouraged. All donations designated to the Endowment Fund are added to the Fund's capital.
4. The terms of the Fund, its intention toward perpetuity and the clause enabling release of the capital will normally be explained to all donors. The Central Council may direct unrestricted donations or operating surpluses to the Fund.
5. The capital will be invested and the interest (based on 5% of the average investment income over the past five years) is available to use in the operation of CCS. The earnings up to 5% of the Fund each year will be available for transfer to the Operating Account. Any unused disburseable funds from this 5% will accrue to be disbursed in future years or may be allocated to capital, at the discretion of the Central Council.
6. Any monies over 5% transferred to the Operating Account will be considered a loan and will be repaid (without interest) to the Endowment Fund as soon as is possible. Money owing to the Endowment Fund will show as a debt in the Operating Statement and as an amount owed in the Endowment Fund Statement.
6. The terms of this Fund may be amended by the Central Council.
7. Should the Centre for Christian Studies continue, but in a new form as the result of amalgamation, or otherwise, then this Fund would continue with CCS in the new form. In the event that the Centre for Christian Studies Canada Inc., might cease to exist entirely, the capital and any unspent disburseables shall be divided evenly between the United Church of Canada and The Anglican Foundation, to be used to support theological

education, in a manner in keeping with the spirit and intent of the terms lastly defined herein.

Investment Guidelines for the CCS Endowment Fund

Theological Stance:

At the Centre for Christian Studies we believe that how we use our financial resources should be reflective of our faith stance. This requires an enhanced sense of social responsibility and an awareness of the impact or effect of our investment decisions.

Delegation of Authority:

1. This policy is declared by the Central Council of the Centre for Christian Studies, and empowers the Finance Committee to act within its limitations. The Finance Committee shall report regularly to the Central Council.
2. Investment decisions are made by the Finance Committee, in consultation with CCS's investment broker, and with other investment advisors, as necessary.
3. The Finance Committee has the authorization to review submissions from investment brokers and to choose and engage an appropriate broker.
4. The Finance Committee should meet with the Investment Broker, regularly, at least twice yearly, and receive at least quarterly reports from them. The investment brokers are expected to initiate contact with the Finance Committee to convey any information which might cause the Finance Committee to readjust this policy.

Ethical Guidelines for Investment:

To live out our faith stance in our investment decision making, we need to be selective in determining which companies we will invest in. We need to be able to discern if their goals, objectives, and actions fit with our understanding of how companies are to act in the world.

1. The following criteria will be used in discerning whether or not to invest in a given company.

This is not an exclusive list and other like-minded criteria can be added as the situation warrants:

- a. sound policy or just record on human rights, including gender justice;
 - b. just employment practices;
 - c. quality and nature of product;
 - d. responsible use of resources;
 - e. sound environmental policy and record;
 - f. non-use of product for military purposes;
 - g. ethical nature of international investments.
2. We recognize that the corporate network of investments and finances is a complex one. This means that discerning the social responsibility of a company is not an easy task and may not always be done with complete accuracy. However, we must still endeavour to exercise due diligence in making informed and moral investment decisions.
 3. If at some time prior to re-investment, it comes to our attention that a company's practices no longer fit our criteria, divestment will be considered by the Finance Committee.
 4. Investments will be made in companies, firms or governments who fit our criteria and who offer a good return on investment for CCS. It is also recognized that a better return on our investment comes secondary to the proper investment of our funds in appropriate companies, firms, or governments.

Investment Guidelines:

Investments shall be made with judgment and care, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived.

1. Authorized investments are as follows:

- a) We have a 10 year view for our planning horizon, however, investments for any maturity may be selected.
- b) Investments will only be made in companies trading on recognized stock exchanges, or in government or corporate debt securities rated BBB or better by Dominion Bond Rating Service.
- c) Guaranteed Investment Certificates or term deposits to be within Canada Deposit Insurance Corporation Limits of \$60,000 at any one institution.
- d) No equity investment in one company shall exceed 5% of the total investment fund.
- e) The cumulative investment in any one industry shall not exceed 20% of our equity portfolio.
- f) Up to 50% of the fund can be in equities, possibly 50/50 domestic and foreign equities with the balance of the fund in bonds, debentures, term deposits, and G.I.C.s.

2. Investment Objectives

- a) The target average annual rate of return shall be at least 5%.