

Treasurer's Report: 2014-2015

The following are highlights of the Budget/Finance and Endowment Committees' accomplishments.

Budget and Finance Committee

1. Sale of Mensch Mill: PSEC accepted the offer to sell Mensch Mill. The sales price resulted in the need for PSEC to pay in approximately \$239,000 to pay off the Cornerstone loan. The committee recommended to Consistory that PSEC use part of the unused proceeds from the sale of Church House to pay off the loan.
2. The committee reviewed and approved the proposed 2015 PSEC budget.
3. The committee reviewed and recommended the new Accounting Policies and Procedures manual.
4. The committee reviewed and approved a financial snapshot of the PSEC financials that is shown on the website following Consistory approval.
5. The committee reviews PSEC financial statements and recommends approval to Consistory.
6. The committee reviewed and agreed with a proposal to make an investment in Cornerstone funds. The proposal was approved by Consistory.

Endowment Committee

The Pennsylvania Southeast Conference (PSEC) Endowment Committee was asked to review the current endowment investments and policy to determine if changes are necessary to better manage the funds. The Committee consulted with PSEC auditors and legal counsel. The following is a summary of the recommendations of the endowment study:

1. Determine which of the funds are subject to the Act 141 all-inclusive procedure.
2. Establish a category of temporary restricted and consistory designated funds and transfer all unrestricted funds to this new designation.
3. Establish new criteria for use of and method of using these new fund designations.
4. Determine if the remaining sub-funds can be combined in the various general categories to ease the administration requirements.
5. Review donor restrictions and if possible, ask donors to remove these restrictions. If the funds are small enough, make the consolidations even without donor approval, so long as the general categories are respected.
6. For the two funds that are older and have use restrictions that are currently impossible to implement, prepare petitions in Orphans Court to remove these restrictions or to replace them with purposes that are close enough to the original (cy pres).
7. Begin using a three year average of values to determine the appropriate amount to take each year under act 141.
8. Develop a gift acceptance policy. The gift acceptance policy is complete. It was approved by Consistory.
9. If possible, consolidate Fund Managers to ease administration.
10. Consider ways to increase interest and dividends for those funds that are not subject to act 141.

The Endowment Committee study was approved and the recommendations are in various stages of development, review and completion.