

ASSET POLICY

Recommended by Finance Committee Affirmed by Council Jan. 10, 2018

Our greatest resource as The Grail in the U.S. is our people: their talents and energies give life to the movement. We also possess other resources: land, building, and investments. This policy statement deals only with the land, buildings, and other financial assets owned by the national Grail Corporation and is intended to further the most productive use of these assets to serve the goals and mission of the Grail.

Background: Reasons for the Acquisition of Capital Assets

Many reasons have entered into the purchase (or acceptance as a gift) of various pieces of property. They include:

- - good environment for a Grail center, providing place for living and sharing and self-sufficiency (or prayer and contemplation)
- - base for social service and social change activities
- - specific works
- - property that could be turned into cash for future Grail needs.

General policies

1. 1) Productive use of land, buildings, funds, in the light of the goals and mission of the Grail Productive use implies good stewardship -- maintaining buildings in good repair, not letting land stand idle or grow up with weeds, building up soil, etc., keeping machinery in good order and good management of funds.
2. 2) All allocations of monies realized from resources are the responsibility of the Council. Proposals for use of these monies can come from any recognized group within the Grail. Questions regarding use of resources as they affect financial policy are worked out in dialogue with local entity or group by the Council.
3. 3) In general, relying on capital as a primary source of meeting operating expenses is least desirable. Most desirable uses of capital include the following:
 - a) Investment for income, taking the following considerations into account:
 - i. working for best balance of stable, long-term growth and higher yield investments for current income;
 - ii. guarantee of both capital and income to finance obligations (medical care, retirement) towards long-term personnel in return for services rendered;
 - iii. making most socially responsible investments consistent with above considerations and social and religious values of movement;
 - iv. maximal balance of resources for long-term needs (e.g., major property

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maintenance backup) and expansion to meet movement goals (program seed money, etc.).

2. b) revolving funds for loans (e.g. Educational Loan Fund), high-risk projects, etc., in which capital is used and repaid;
3. c) subsidization of special efforts and programs worthy of high investment (not necessarily to be repaid). Policy must be established to determine "worthiness" of programs for such a high investment. (It might be desirable to let some capital go for a service program where it could really help us fulfill our purposes and be effective as a movement.)
4. d) capital improvements, building projects, etc.
5. e) debt retirement - e.g., Grailville, Cornwall

4) Properties and related resources

1. a) In general, Grail entities (e.g., Grailville, Cornwall) are expected to meet their operating budgets from current income, and if possible, to set aside a portion of current income in a reserve fund for contingencies and lean years.
2. b) Changes in the uses of land and/or buildings or allocations of major resources require considerable research and consultation. The research almost always needs the services of highly qualified professionals - lawyers, accountants, assessors, etc. - and is to be understood as preparation for informed decision- making, e.g., Grailville Land Use Study.
3. c) Consideration should be given to the "property history" on file, especially with regard to eventual allocations of money from sale of properties whose original acquisition, funding, support, use were in relation to movement development and activity in a particular region (e.g., Louisiana, Cincinnati). Original conditions may no longer prevail but should be taken into account, as well as intent of donors and/or earlier binding decisions, which might have legal implications.
4. d) The Grail bylaws require that the proposed sale of a major Grail national asset be presented by the Council to the membership for its approval.¹
 - i. In negotiating any land sale, whether to Grail members or to the general public, the negotiating team will endeavor to get full market value
 - ii. to give preference to buyers who are planning a "socially desirable use"
 - iii. to include in the contract of sale, the clause giving the Grail the first option to buy in the event that the parcel comes up for resale
 - iv. to take into account the history of the property, the consequences of the

¹Grail Bylaws, Art. II, Sect. C, 12: Present to the membership for its approval the recommended sale of real estate
Grail Bylaws, Art. VII, Sect. B: VOTING: Members have voting responsibility for The Grail's vision, mission,

membership expectations, sale of land and election of Council members. Matters requiring a vote will be considered approved if 2/3 of members who submit a vote on the matter, according to the procedures stated at the time of the vote, approve of it. Council consults with members on other issues that may have broad implications for the movement.

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sale in relation to the mission of the Grail in that particular area and to national needs, in order to discern the preference given to "socially desirable use" and "fair market value"

5. 5) Distribution Guidelines

Funds come from a variety of sources: gifts and donations, bequests, sales of Grail property, royalties, etc. The following principles should be followed in distributing them:

1. a) Money given for a purpose designated by the donor goes for that specific purpose.
 2. b) Interest from any account is returned to that same account.
 3. c) Major unrestricted ("stringless") gifts and other "new money" will have 10% made available for current needs. The remaining 90% will be invested: 30% (of the full amount) to Retirement, 15% to Major Maintenance, and 45% to General portfolio.
 4. d) That portion of money received from the sale of a Grail property that is allocated for "major maintenance" is for the major maintenance/renovation of the entity whose property was sold, if that entity continues to exist. Otherwise, sale proceeds are considered under c) above, unless other provisions of section 5 have been applied.
 5. e) A portion of any major unrestricted gift or property sale proceeds distributed directly to a Grail center or other team/project is considered to be a gift that reflects the particular work's expression of the Grail as a whole. Thus, 10% is normally transferred to the National Grail.
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In order to meet the varying needs for which capital is invested (#4), the investment portfolio has been (or may be) subdivided for special purposes, such as:

1. a) General – annual needs of Grail nationally, as allocated by the Council
2. b) Health and Welfare – retirement/support needs of subsistence staff
3. c) Major Maintenance – upkeep of buildings at Grail Centers

These portfolios are professionally managed. The specific asset allocation strategy for each portfolio may change over time. It takes into account current professional advice on investing for “income” (stock dividends and bond interest), as well as for “capital growth” some of which may be made available for meeting current needs on a “total return” basis.

It is intended that the investment portfolios be maintained and added to, in order to continue providing resources for the Grail on an annual basis. The exception is the Health and Welfare Portfolio, which is reviewed on an actuarial basis every 3 years prior to the General Assembly. When the final fund participant dies, any remaining funds will revert to the general funds of the Grail.

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