

**Call-in to join this meeting: 1-800-704-9804; participant code 39554427#**

## AGENDA

### WELCOME AND CALL TO ORDER

- |   |    |   |       |
|---|----|---|-------|
| 11:30 am<br>10 minutes                      | 1. | <b>CHAIRMAN'S REPORT (Mr. Gompers)</b><br><ul style="list-style-type: none"> <li>▪ Approval of December 4 Minutes (<b>ACTION</b>)</li> <li>▪ 100% PVMF Board Giving – Thank you!</li> <li>▪ 87% Board Giving System-wide</li> <li>▪ Dates <ul style="list-style-type: none"> <li>➢ 2/1 – Winter Governance Summit, Alzheimer's Association, Southfield, MI</li> <li>➢ 2/13 – Gala Volunteer/Sponsorship Appreciation Dinner, The Village of Redford</li> <li>➢ 6/21 – Village Victory Cup, The Suburban Collection Showcase Diamond Ballroom, Novi, MI</li> </ul> </li> </ul> | TAB 1 |
| 11:40 am<br>15 minutes                      | 2. | <b>REPORT ON INVESTMENTS (Mr. Kurrie)</b><br><ul style="list-style-type: none"> <li>▪ PVMF Investment Reports</li> </ul>  | TAB 2 |
| 11:55 am<br>10 minutes                      | 3. | <b>CALVIN SOCIETY MEMBERSHIP (Mr. Denler)</b>   | TAB 3 |
| 12:05 pm<br>15 minutes                      | 4. | <b>DONOR STEWARDSHIP (Ms. Jackson)</b><br><ul style="list-style-type: none"> <li>▪ Handwritten Thank You Notes to PVMF Donors</li> </ul>  | TAB 4 |
| <b>_____ BREAK FOR LUNCH 12:20 pm _____</b> |    |   |       |
| 12:30pm<br>60 minutes                       | 5. | <b>BOARD GENERATIVE DISCUSSION (Mr. Gompers/Mr. Miller)</b><br><ul style="list-style-type: none"> <li>▪ Mid-Term Reports <ul style="list-style-type: none"> <li>➢ 5 Minute Updates – each Task Force Chair</li> <li>➢ Q &amp; A</li> <li>➢ June Board Meeting – Final Exam (Recommendations)</li> </ul> </li> </ul>   | TAB 5 |
| 01:30pm<br>15 minutes                       | 6. | <b>PRESIDENT'S REPORT (Mr. Miller)</b><br><ul style="list-style-type: none"> <li>▪ Executive Summary</li> <li>▪ Motion to approve the re-designation of Village of Redford Chapel and The Chapel in the Woods funds to service Redford Obligated Group debit financing, as recommended by the Village of Redford Board. (<b>ACTION</b>)</li> <li>▪ Staffing Update</li> <li>▪ PVMF Policies and Procedures Manual</li> <li>▪ Board Retreat – ?</li> <li>▪ 2019 Conflict of Interest Form</li> <li>▪ PVM Update (<b>Roger Myers</b>)</li> </ul>                                | TAB 6 |
| 01:45 pm<br>10 minutes                      | 7. | <b>Treasurer's Report (Mr. Carnaghi)</b>  | TAB 7 |
| 01:55 pm<br>15 minutes                      | 8. | <b>EXECUTIVE SESSION</b><br><ul style="list-style-type: none"> <li>▪ Review of Paul Miller's Evaluation &amp; Approval of Compensation (<b>ACTION</b>)</li> </ul>   | TAB 8 |

**NEXT:** February 1 (Friday); Winter Governance Summit, Alzheimer's Association, Southfield, MI  
February 13 (Wednesday); Gala Volunteer/Sponsorship Appreciation Dinner; 5:30 p.m., The Village of Redford, Redford, MI  
June 11 (Tuesday); PVM Foundation Board; 11:30 a.m., Park at Franklin, Southfield, MI  
June 21 (Friday); Village Victory Cup; (Time, TBD), The Suburban Collection Showcase Diamond Ballroom, Novi, MI  
August, Summer Governance (Date/Time/Location to TBD)  
September, Leadership Advance (Date/Time/Location to TBD)  
October 8 (Tuesday); PVM Foundation Board; 11:30 a.m., The Village of East Harbor, Chesterfield, MI  
November, PVMF Gala, (Date/Time/Location to TBD)  
December 3 (Tuesday); PVM Foundation Board; 11:30 a.m., PVM Home Office, Southfield, MI



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**WELCOME AND  
CALL TO ORDER**



## Presbyterian Villages of Michigan Foundation

# ***Strategic Directions and Initiatives 2018-2022: SIDE***

- I. **Strengthen Donor Loyalty** *(Increasing and strengthening donor loyalty through new approaches to enhanced communications.)*
  - 1.1: Rebalance and strengthen focus on partnerships with donors who give at a more significant level.
  - 1.2: Develop a better understanding of donor expectations and implement action strategies to meet or exceed them.
  - 1.3: Evaluate and revise the current PVM Foundation Mission Statement in 2018.
  - 1.4: Identify and implement methods to improve telling PVM stories that are compelling.
  - 1.5: Increase the number of first-time donors making a second gift from 145 (5-year average) to 190 donors.
  - 1.6: Continue to retain donors who have given consecutively for 3+ years.
- II. **Improve Campaign Planning** *(Continually scanning internal/external markets to proactively plan and determine PVM's major campaign needs requiring philanthropic support – in order to maximize charitable funds raised.)*
  - 2.1: Support high-value and high-impact initiatives, where the most important and transformational projects PVM can envision are targeted.
  - 2.2: Raise aspirations beyond transactional fundraising (i.e., special events).
- III. **Diversify the Fundraising Portfolio** *(Raising \$1.5M annually by expanding the individual, non-grant related donor base and reducing reliance on grant funding.)*
  - 3.1: Increase PVM system-wide Board giving by raising \$500,000 annually by 2022.
  - 3.2: Increase leadership giving (\$100,000+ donors) by raising \$750,000 annually by 2022.
  - 3.3: Develop new corporate giving initiatives in 2018.
  - 3.4: Raise at least \$7.5 Million by 2022 through grants.
  - 3.5: Increase Calvin Society (planned giving) membership from 75 to 125 members by 2022.
  - 3.6: Improve and increase technology, website and social media usage to reach a wider audience for fundraising purposes.
- IV. **Engage Volunteers and Staff in Philanthropy** *(Ensuring Board members and staff are involved in the fundraising process to achieve success.)*
  - 4.1: Ensure every PVM system-wide Board member is engaged in the fundraising process and champions the appropriate use of charitable funds to achieve success.
  - 4.2: Create an environment that supports high performance.
  - 4.3: Examine and consider leadership responsibilities, size and talent of the PVMF Board and staff.

# CHAIRMAN'S REPORT

(Mr. Gompers)

Tab 1

MINUTES OF THE TUESDAY, DECEMBER 4, 2018 REGULAR BOARD OF DIRECTORS MEETING OF THE PRESBYTERIAN VILLAGES OF MICHIGAN FOUNDATION BOARD HELD AT THE PVM HOME OFFICE, SOUTHFIELD

	2/6 BOD Mtg.	2/15 Gala Volunteer & Sponsor Celebration	2/23 Winter Governance Summit	5/18 Donor Societies & BOD Lnchn	6/12 BOD Mtg.	6/22 Village Victory Cup	7/27 Technology Summit	9/21 Strategic LDSHP Advance	10/9 BOD Mtg.	11/8 Gala	12/5 BOD Mtg.	TOTAL
Bomberski	X	--	--	--	--	--		--	X	--	X	<b>3</b>
Carnaghi	--	--	--	X	X	X		X	-	X	X	<b>6</b>
Denler	X	--	X	X	X	X		X	X	X	X	<b>9</b>
Dixon	--	--	--	--	--	--		--	-	X	--	<b>1</b>
Gompers	X	--	--	X	X	X		X	X	X	X	<b>8</b>
Hubbard					X	--		--	X	--	Phone	<b>3</b>
Johnson	X	--	X	--	X	X		X	X	X	X	<b>8</b>
Kimble	X	X	--	X	X	X		--	X	X	X	<b>8</b>
Lau	X	--	--	--	--	--		--	X	X	X	<b>4</b>
Lindow	Phone	--	--	--	--	--		--	--	--	X	<b>2</b>
Miller	X	X	X	X	X	X		X	X	X	X	<b>10</b>
Morgan	--	--	--	--	Resigned	--		--	--	--	--	<b>0</b>
Peterson	X	--	--	X	X	--		--	X	X	X	<b>6</b>
Rabbideau	Phone	--	--	X	Phone	--		--	-	X	Video	<b>5</b>
Schroeder	X	X	--	X	X	X		X	-	X	X	<b>8</b>
Snider	X	--	--	X	X	X		--	X	--	X	<b>6</b>
Turman	--	--	--	--	X	X		--	-	--	--	<b>2</b>
Utey	Phone	--	--	X	X	--		--	X	X	X	<b>6</b>
Wallace	--	--	--	--	--	--		--	-	--	--	<b>0</b>
<b>Ex-Officio</b>												
Ball	X	X	X	X	X	X		X	X	X	X	<b>10</b>
Myers	X	X	X	X	X	X		X	X	X	X	<b>10</b>

Foundation  
Staff:

Ms. Bobbie Clement, Ms. Yalonda Jackson, Ms. Debbie Smith, Ms. Avni Thomas, Ms. Stacey Welford

Guests:

None

Welcome and  
Call to Order

Mr. Gompers called the meeting to order at 11:35a.m., followed by prayer.

Tyler Duchame from DOT described the video software we are trying today. Mr. Rabbideau and Mr. Hubbard participating on video/phone.

1. Chairman's  
Report

Approval of the October 9, 2018 Minutes from Regular Board of Directors Meeting –

**A MOTION WAS MADE BY Mr. Don Lindow AND SECONDED BY Mr. Bob Peterson TO APPROVE** the meeting minutes from the October 9, 2018 Regular Board of Directors Meeting.

**PASSED UNANIMOUSLY.**

Welcome to the Foundation Yalonda Jackson, Manager of Annual Giving and Events. Ms. Jackson briefly explained her background.

Thank you to Mr. Rabbideau for his service to the Foundation Board. This is his last Foundation Board meeting, but he will continue on the Mill Creek Board and Strengthen Donor Loyalty Task Force. Much appreciation to Mr. Rabbideau for his assistance in founding the Foundation and Gala. In addition, Ms. Turman is resigning from the Foundation Board as she has moved to California. We wish them both well.



Year End Appeal was mailed to about 2,300 donors. Goal is \$35,000. Mr. Miller and Ms. Clement wrote handwritten notes on letters to closer friends to the Foundation.

The board meeting schedule for 2019 was reviewed as on agenda.

May need a grant in the future to fund new technology to support better connectivity to the PVM/PVMF board meetings.

Pg.25 – Board Giving stats and PVMF grants given to Villages were reviewed.

2. Secretary's Report

Mr. Lindow presented the following Slate of Officers for 2019:

**2019 Slate of Officers**

Chair.....	James S. Gompers
Vice Chair.....	Robert S. Schroeder
Treasurer.....	Brian W. Carnaghi
Secretary.....	Donald A. Lindow
President.....	Paul J. Miller

**Board of Directors**

<b><u>Class of December 31, 2019</u></b>	<b><u>Class of December 31, 2020</u></b>	<b><u>Class of December 31, 2021</u></b>
James S. Gompers	Linda Bomberski	David F. Lau
Robert V. Peterson	John Denler	Robert R. Schroeder
Mark Wallace	Elmer Dixon	Donna Snider
	Paul Hubbard	John Utley
	Henry Johnson	
	Thomas E. Kimble	
	Donald Lindow	

**Ex-Officio:** Roger L. Myers  
William Ball

**A MOTION WAS MADE BY Mr. David Lau AND SECONDED BY Mr. Henry Johnson TO APPROVE THE SLATE OF OFFICERS AS PRESENTED.**

**PASSED UNANIMOUSLY.**

Mr. Gompers asked for any suggestions for new members, please let him or Mr. Miller know if you have any. Mr. Peterson referenced article Mr. Myers sent out regarding leadership. Churches are good source for members. Mr. Miller meeting with Sally Bessert tomorrow to ask to join board. Have about 3 openings. Mr. Myers suggested looking at Crain's lists and review for possible new members, also look at family members.

3. PVMF Gala Report

**PVMF Gala Report (Mr. Schroeder)**

Mr. Schroeder reported 15<sup>th</sup> Annual Gala was a success. \$200,000 raised, great turnout, a lot of hard work by volunteers, generous donations from board members and sponsors. The wrap-up meeting was held last Friday. Actors and picture taking with mascots went well and shorter program was well received. Figures vs budget some up, some down. Good for Yalonda to attend and see event for future galas. Discussion regarding having a DJ vs band, younger people attending, themes and change of venue – Henry Ford good but too spread out. Strolling dinner format may impact attendance.

Will recommend three themes – Travel Around the World, Superheroes and Dancing with the Stars. Potential venues are DIA, Book Cadillac, MGM, Outdoor Adventure Center, DAC, Detroit Port Authority.

Volunteer/Sponsor Appreciation evening Wednesday, February 13<sup>th</sup>. All board members invited, location TBD.

4. Donor Stewardship	<p><b>Handwritten thank you notes by PVMF Board members: (Ms. Clement/Ms. Jackson)</b>  Board members prepared individual thank you notes to donors who gave at least 2+ gifts to PVM in 2016 &amp; 2017 of \$50+.</p>
5. Board Generative Discussion	<p><b>Generative Discussion (Mr. Gompers/Mr. Miller)</b>  Think about what might surprise you, what PVM Foundation is doing well and needs for improvement. Video – 7 Critical Storytelling Tips to Improve Your Fundraising - shown.  Discussion – What is cost of YE appeal to mail? Approximately \$4,000-\$5,000. Level of giving may go down with tax changes. Mr. Lindow is advising his client to give 2019 gifts in 2018. Need for board members to start to understand what effective donor centric communication is. Goal for board members to look at copy and say I know a little more. A lot of jargon the last few years; talk to me as a real human being.</p> <p>How do we marry our mission with PVM marketing department to support people who need PVM/PVMF? Want communications to be more about donors and less about PVM.</p> <p>Anything that surprised you from video? Mr. Schroeder #6 how to do you write a story as the donor's story. Make donor story so compelling the donor wants to be on PVM's side. Need people to know PVM's scope &amp; reach, doing things well, what is important to donor and senior is important to us.</p> <p>Need to know why donors are giving to us – Donor Loyalty Task Force is making calls and getting a variety of answers – former employees or family connection, referral from tax preparer, friend of former resident. Experience with actual residents, their stories can make a difference. Ms. Snider asked if we send targeted letters.</p> <p>The Board Giving Task Force is finding Village board members seem to only give at villages they are associated with; therefore, board giving task force calling chairs. Suggestions for PVMF: segment donor base and speak to donors, write compelling stories, tell our story to tax firms and attorneys who may suggest some clients. Mr. Rabbideau called four donors and found most served on a board, and their personal involvement with PVM played a role in becoming loyal donors. One decided to give after evaluating estate plan.</p> <p>Mr. Lindow suggests not going to MGM for gala due to sending wrong message. Mr. Carnaghi noticed Michigan Public Fundraising doing storytelling and working well. Mr. Myers related Don Nolita story is a result of a management agreement that PVM has and how he was affected by what he has seen at PVM. Mr. Miller gave background and story of visiting him in Florida. He called and relayed he is leaving a sizeable bequest to PVM. He relayed he is receiving our publications and liked them. Ms. Bomberski suggested following up with these donors so see whom else they might have told our story to.</p> <p>January 22<sup>nd</sup> board meeting will go back to task forces mid-term reporting.</p>
6. Treasurer's Report	<p><b>Treasurer's Report (Mr. Carnaghi)</b>  Asked for input from board on Treasurer's Report; pg. 2 of 6 – two reports, FA line of credit and PVMF operating line of credit; a lot of history there and Board asked if we need it every time we meeting. Suggested to separate history, possibly eliminate, and highlight new items.</p> <p>Mr. Carnaghi presented a motion to approve a special grant allocation of unrestricted funds on December 31, 2018 and 2019 of approximately \$25,000 and \$50,000, respectively, to allow Weinberg Green Houses to meet its debt service covenant and allow the PVM Obligated Group to secure a release of debt guarantees.</p> <p><b>A MOTION WAS MADE BY Mr. Bob Schroeder AND SECONDED BY Ms. Donna Snider TO APPROVE MOTION AS PRESENTED.</b></p> <p><b>PASSED UNANIMOUSLY with Mr. Kimble abstaining.</b></p>
7. President's Report	<p><b>President's Report (Mr. Miller)</b></p> <p><b>PVMF Executive Summary</b>  Pg. 23 – Fundraising Grants Raised for 3<sup>rd</sup> Parties added per request at last meeting. The Weinberg Foundation answer in 2018 for University Meadows (PVM is partner with Develop Detroit) – Weinberg slowed down decision</p>

making process and deferred decision until 2019. Will probably be \$500,000 short on goal for 2018. Will increase the budget for 2019 by \$1M so instead of \$2.6M budget it will be \$3.6M goal.

Mr. Miller attended a Weinberg donor event in November and they indicated they really like us and what we are doing. Mr. Myers, Ms. Thomas and Mr. Miller hosted program officer in June and visited four locations, two that will be asked for requests from them, GrandFamilies at Hartford and letter of intent for Develop Detroit. Received okay to submit full grant proposal on Friday by end of January for review by end of their fiscal year (March). Need approved this year as cannot have two capital requests in same year.

PACE SE MI on their own is submitting an LOI for expansion of PACE in Pontiac which would be separate from PVM. Future submissions on pg. 24 – Mr. Miller will meet Melonie Colaianne regarding Gene Gargaro and Richard and Jane Manoogian Foundation while in Florida. Mr. Lindow has a relationship with Mr. Gargaro; Mr. Myers suggested Mr. Gargaro's son as possible addition to Foundation Board. He came to a PVM breakfast a couple years ago and perhaps Mr. Gargaro could approach this.

Pg. 25 donor base YTD is low - 1,037. Need to expand.

Mr. Myers asked about Ray Steben's question from September Corporate Board meeting on where we stand with the Ralph C. Wilson Foundation. Mr. Miller indicated not as well as we'd like; they do not see PVM as right fit for their organization. Ms. Thomas will set a meeting in January with MHEF fellow and Ralph C. Wilson Foundation. Mr. Steben to follow up with Joe Hudson who is on board. Mr. Miller asked Foundation board members to look at Wilson Foundation board list and see if they know anyone who could possibly help us.

#### **Approval of 2019 PVMF Budget**

Updated budget presented. Budget slightly higher due to \$1M for Weinberg submission. Mr. Peterson asked what is University Meadows? Mr. Carnaghi explained a partnership between Develop Detroit, a new non-profit, reached out to PVM to partner on a new housing tax credit program. Idea to renovate in two phases: Phase 1, 53 units, to start in April 2019, and Phase 2 to construct new market rate apartments and some retail. Mr. Carnaghi also explained Develop Detroit.

Expenses raised slightly to hire contract employee to develop a system, capture data, scrub data and communicate to them; also hire consulting firm, Michael Marcus, to do a pseudo feasibility review with other funders across the country for GrandFamilies at Hartford Village in Detroit.

Mr. Johnson asked if we feel this is an achievable budget. Mr. Miller feels budget supports expenses to achieve goal. Mr. Myers indicated getting family member names would lead to increase in donors and not violate HIPPA.

**A MOTION WAS MADE BY Mr. Henry Johnson AND SECONDED BY Mr. Tom Kimble TO APPROVE BUDGET AS PRESENTED.**

**PASSED UNANIMOUSLY**

#### **Feedback on Board Meeting Structure**

Do you like time of day? Looking at new technology as some board members cannot attend in person. Time works well.

#### **PVM Update (Roger Myers)**

PVM Strategic Plan for 2019-2021 is in final stages and expect in January or March the PVM Board will adopt and build on current plan and lines up with PVMF Strategic Plan. The Winter Governance Summit, Friday, February 1<sup>st</sup> at Alzheimer Association – Greater Michigan Chapter offices in Southfield. Major topic is Best Practices in Memory Care. All our communities in different ways experience people with memory loss and in addition to current memory care units we have we will exploring what we can do to support people with memory care issues including PACE programs.

8. Correspondence/  
Announcements

Mr. Miller announced you should have received an email from Risk Management regarding Conflict of Interest form. Please fill out on computer and return before end of the year. We will do another form for 2019 at the January meeting.



MINUTES OF THE TUESDAY, DECEMBER 4, 2018 REGULAR BOARD OF DIRECTORS MEETING OF THE PRESBYTERIAN VILLAGES OF MICHIGAN FOUNDATION BOARD HELD AT THE PVM HOME OFFICE, SOUTHFIELD

	<p>Bobie Clement is leaving for position at Richner and Richner as an analyst. Nine years of service and wish her well.</p> <p>Thank you and Merry Christmas to all.</p>
9. Executive Session	No Executive Session
10. Adjournment	Meeting adjourned at 2:15 p.m.

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Debbie Smith  
Recording Secretary

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Donald Lindow  
Secretary

**NEXT MEETING:** PVMF Board Meeting; January 22, 2019 (Tuesday), PVM Home Office, Southfield, MI

## **GIVING PERCENTAGE/DONOR UPDATE**

**BOARD GIVING: 87%**

**Total Board Giving 2018: \$252,627**

**MANAGEMENT GIVING: 82%\***

**EMPLOYEE GIVING: 16%**

**DONOR BASE TO-DATE: 1,132**

**NEW DONORS TO-DATE: 279**

**RETURNING DONORS TO-DATE: 853**

### **Board Giving Detail (as of December 31, 2018)**

<b>Board</b>	<b>% Giving</b>	<b># of Total Board Members</b>
<b>PVM Foundation</b>	<b>100%</b>	<b>17</b>
<b>PVM Corporate</b>	<b>100%</b>	<b>18</b>
<b>East Harbor</b>	<b>100%</b>	<b>13</b>
Redford	83%	6
Westland	89%	9
Bethany Manor	88%	8
Brush Park/Woodbridge Manor	85%	13
<b>Hampton Meadows</b>	<b>100%</b>	<b>5</b>
Harmony Manor	78%	9
<b>Hartford Village*</b>	<b>100%</b>	<b>7</b>
Hillside/Perry Farm	73%	11
<b>Holly Woodlands</b>	<b>100%</b>	<b>7</b>
<b>Mill Creek*</b>	<b>100%</b>	<b>8</b>
Oakland Woods	90%	10
Oakman Manor	83%	12
<b>Our Saviour's Manor</b>	<b>100%</b>	<b>9</b>
Peace Manor	80%	5
Rosebush	80%	15
Sage Grove	75%	4
Spring Meadows	67%	6
St. Martha's	92%	13
<b>Thome Rivertown Neighborhood^</b>	<b>100%</b>	<b>4</b>
Warren Glenn	33%	3

**\*Board and**

**Management Staff giving not expected until after 90 days of membership**

**^UMRC representatives not included, only PVM members**

# SAVE THE DATE!

14<sup>th</sup> Annual Village Victory Cup

Friday • June 21st • 2019



## LOCATION:

 SUBURBAN COLLECTION  
SHOWPLACE

Diamond Banquet & Conference Center  
46100 Grand River Avenue

Novi, Michigan 48374

*Additional Details to Come Later*



# REPORT ON INVESTMENTS

(Mr. Kurrie)

Tab 2

# **Presbyterian Villages of Michigan**

**Foundation**

**Investment Performance Report**

**December 31, 2018**

*Aileron Ltd.*

January 2019

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
INVESTMENT PERFORMANCE REPORT**

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# **PRESBYTERIAN VILLAGES OF MICHIGAN**

## **INVESTMENT PERFORMANCE SUMMARY**

**December 2018**

***Patience and flexibility*** – while the late stage US economic cycle remains on fairly solid ground, the possible end of the ‘cheap money’ era has been a significant catalyst for the recent asset price volatility in the capital markets. For context, the return of S&P 500 stock index, after rising 10.6% through the first three quarters of the year, gave up those gains and ended the year down (4.4%). In contrast, longer US bond yields rallied, in part, as a safe haven trade. The ten-year treasury started the 4Q’18 at approx. 3.2% and ended the year at approx. 2.7%. The Federal Reserve raised the federal-funds rate four times in 2018 in an effort to ‘normalize’ policy rates – most recently at the December meeting. However, Federal Reserve officials have intimated that they would be willing to take a break from raising policy rates given recent muted inflation readings as well as adopting a wait-and-see approach on how the US economy and capital markets evolve into 2019 and beyond. The Fed continues to shrink its \$4.1 trillion portfolio of bonds. The reductions which began in October, 2017 and amount to \$50 bil. per month in treasury and agency maturities, reinforce the steady commitment to unwinding the quantitative easing program and investor demand for these securities appears solid. For context, this monthly amount is a small fraction of the \$20 trillion US treasury market as well as the large monthly new issuance of US treasury debt. Also, the US Treasury market represents arguably one of the most liquid components of the \$250 trillion global bond market (source: Citigroup).

Another volatility catalyst has been the evolving US/China relationship and ongoing negotiations to level set the trade playing field during the 90-day tariff truce which expires at the end of March. The goal of the negotiations would be to increase US access to China’s markets and reduced government subsidies to Chinese companies, provide more protection of US intellectual property, as well as increase Chinese purchases of US goods and services.

**Low/zero interest rates and quantitative easing in the aftermath of the global financial crisis caused an increase in correlations across many asset classes. As global economies exit/unwind from that endeavor, capital market dispersion (and volatility) should likely increase. As such, investors should continue to stick to their long-term plans and maintain diversification rather than react to short-term price movements.**

## **Client Performance**

**The year 2018 will be remembered as a volatile year in the capital markets. The S&P 500 declined by (9.0%) in December, leading to a (4.4%) drop for the year. William Blair All Cap Growth (ACG) finished the year up 6.2% and Eagle finished the year down (3.0%) both surpassing the S&P 500 index return of (4.4%). William Blair's outperformance was attributable to a growth style tailwind and strong stock selection in the Information Technology, Consumer Discretionary, and Healthcare sectors. As global growth lost momentum it was even more apparent overseas. William Blair ADR was down (12.8%) for the year surpassing the EAFE index return of (13.8%). Strong stock selection in Asia and exposure to North America were key contributors that helped the strategy outperform the EAFE index. Fixed income ended 2018 with positive returns and was a key asset class in the defensive part of a balanced portfolio. Short term interest rates rose while intermediate and long rates had little to no movement. Wedge fixed income had better than benchmark performance in December and exceeded the benchmark for the year. The Bloomberg Barclay's Intermediate Government Credit Index gained 0.9% for the year. Total account return was down (0.5%) for the year surpassing the blended benchmark of (3.3%). The account has also surpassed its benchmark for its last 1-year, 2-year, 3-year, 5-year, and 10-year annualized returns.**

The information contained in this commentary has been compiled from publicly available sources and is presented to you for your review and for discussion purposes only. The information contained in this commentary represents the opinion of the author(s) as of its date and is subject to change at any time due to market or economic conditions. These comments do not constitute a recommendation to purchase, sell or hold any security, and should not be construed as investment advice or to predict future performance. Past performance does not guarantee future results. The statistical information contained in this commentary was derived from sources that Aileron Ltd. believes are reliable, and such information has not been independently verified by Aileron Ltd. An index is not managed and is unavailable for direct investment. Please see the disclosures included at the end of this report, which are an integral part of this document.

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
DECEMBER 31, 2018**

Foundation Market Value	\$12,570,904
Increase/Decrease from November Report	-\$1,401,041 *

\* Includes \$750,000 w/d from Mmax.

ASSET ALLOCATION			
	<u>Guidelines</u>	<u>Actual</u>	<u>Delta</u>
Large Cap Equity	45%	44.4%	-0.6%
Convertibles	10%	10.0%	0.0%
Int'l Large Cap Equity	<u>10%</u>	<u>8.6%</u>	<u>-1.4%</u>
Total Equity	65%	63.1%	-1.9%
US Fixed Income	35%	36.9%	1.9%

Note: Portfolio is rebalanced if an asset class exceeds 10% or more of PVMF Guidelines

2018 INVESTMENT PERFORMANCE - FEE ADJUSTMENT			
	Net of Fees	Benchmark	
	Return	Return	Delta
<b>PVMF</b>	<b>-1.17%</b>	<b>-3.27%</b>	<b>2.10%</b>
Wm. Blair All Cap	5.29%	-4.38%	9.67%
Eagle Lg Cap	-3.99%	-4.38%	0.40%
Macquarie Conv.	-4.42%	-4.08%	-0.34%
Wm. Blair Int'l Eq.	-13.59%	-13.79%	0.20%
Wedge Fixed Income	0.90%	0.88%	0.01%

Note 2018 fees include:

- 2 Wm. Blair All Cap invoices (3Q'17, 4Q'17)
- 2 Wm. Blair Int'l Eq. invoices (3Q'17, 4Q'17)
- 3 Macquarie Conv. invoices (2Q'17, 3Q'17, 4Q'17)

**INVESTMENT PERFORMANCE - INCEPTION TO DATE ANNUALIZED FEE ADJUSTMENT  
07/01/1996 - 12/31/2018**

	Net of Fees	Benchmark	
	Return	Return	Delta
<b>PVMF</b>	<b>7.86%</b>	<b>6.59%</b>	<b>1.27%</b>
Wm. Blair All Cap (1)	9.66%	8.05%	1.61%
Eagle Lg Cap (2)	10.37%	7.70%	2.67%
Macquarie Conv. (3)	5.82%	2.51%	3.31%
Wm. Blair Int'l Eq (4)	0.71%	0.07%	0.64%
Wedge Fixed Income (5)	1.48%	1.49%	-0.01%

PVMF goal is to exceed a blended return of the following indices net of fees:

1. S&P 500 Index
2. Merrill Lynch U.S. Value Convertible Index
3. EAFE Index
4. Bloomberg Barclays Intermediate Govt./Credit Index

(1) William Blair All Cap hired on 7/01/96

(2) Eagle Capital hired on 9/01/06

(3) Macquarie (Delaware) hired on 11/01/10

(4) William Blair International hired on 5/01/14

(5) Wedge Fixed Income hired on 5/01/14

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
ASSET AND MANAGER ALLOCATION AS OF  
DECEMBER 31, 2018**

	<u>Cost Value</u>	<u>Market Value</u>	<u>% Allocation</u>	<u>Target</u>
<b><u>Manager Allocation</u></b>				
<b>Equities</b>				
<b>Domestic Large Cap</b>				
William Blair (All Cap Growth)	2,582,839	2,818,799	23.3%	
Eagle (Core)	<u>2,094,711</u>	<u>2,558,413</u>	<u>21.1%</u>	
	\$4,677,549	\$5,377,211	44.4%	45.0%
<b>Convertibles</b>				
Macquarie	1,251,992	1,216,050	10.0%	10.0%
<b>International Equity</b>				
William Blair	<u>993,229</u>	<u>1,045,232</u>	<u>8.6%</u>	<u>10.0%</u>
<b>Total Equities</b>	\$6,922,770	\$7,638,494	63.1%	65.0%
<b>Fixed Income</b>				
<b>Domestic Intermediate</b>				
Wedge	<u>4,506,811</u>	<u>4,462,748</u>	<u>36.9%</u>	<u>35.0%</u>
<b>Total Fixed</b>	\$4,506,811	\$4,462,748	36.9%	35.0%
<b>Cash</b>				
Cash Equivalents	<u>0</u>	<u>0</u>	<u>0.0%</u>	<u>0.0%</u>
<b>Total Fund</b>	<u>\$11,429,582</u>	<u>\$12,101,241</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Sub Fund</b>				
Huntington MMAX Money Market	<u>\$469,663</u>	<u>\$469,663</u>		
<b>Total Fund</b>	<u>\$11,899,244</u>	<u>\$12,570,904</u>		

- Huntington Bank provides custody

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
FUND MEASUREMENTS  
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018**

		INDEX	MONTH OF DECEMBER	CALENDAR YTD TOTAL
<b>EQUITY MEASUREMENT</b>				
S&P 500	Current Month	-9.03%	-10.23%	
S&P 500	Calendar YTD	-4.38%		1.65%
Merrill Lynch U.S. Value Conv.	Current Month	-4.89%	-3.89%	
Merrill Lynch U.S. Value Conv.	Calendar YTD	-4.08%		-3.62%
EAFE	Current Month	-4.85%	-5.90%	
EAFE	Calendar YTD	-13.79%		-13.21%
<b>TOTAL EQUITY</b>			-8.72%	-1.44%
<b>FIXED INCOME MEASUREMENT</b>				
Bloomberg Barclays Intermediate Govt./Cr.	Current Month	1.34%	1.38%	
Bloomberg Barclays Intermediate Govt./Cr.	Calendar YTD	0.88%		1.06%
<b>TOTAL FIXED</b>			1.38%	1.06%
<b>SHORT TERM INDEX MEASUREMENT</b>				
91-Day Treasury Bills	Current Month	0.19%	0.18%	
91-Day Treasury Bills	Calendar YTD	1.83%		1.70%
<b>TOTAL RETURN</b>			-5.05%	-0.50%
<b>FEE ADJUSTED TOTAL RETURN</b>			-5.05%	-1.17%
<b>INDEX BENCHMARK RETURN</b>			-4.51%	-3.27%
<b>INDEX BENCHMARK NET OF IMPLIED INDEX FEES</b>			-4.54%	-3.58%

**AVERAGE ASSET ALLOCATION**

**CALENDAR**

EQUITY	63.45%
FIXED INCOME	34.36%
TEMPORARY INVESTMENTS	<u>2.19%</u>
	100.00%



**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	ACTUAL RATE OF RETURN			ANNUALIZED RATE OF RETURN				
	1 MONTH	CURRENT QUARTER	CALENDAR YTD	1 YEAR	2 YEARS	3 YEARS	5 YEARS	10 YEARS
TOTAL ACCOUNT RETURN	-5.05%	-7.55%	-0.50%	-0.50%	6.69%	6.64%	5.62%	9.51%
BLENDED BENCHMARK	-4.51%	-7.70%	-3.27%	-3.27%	4.68%	5.29%	4.09%	7.67%
CONSUMER PRICE INDEX (CORE)	0.20%	0.60%	2.20%	2.20%	1.95%	2.07%	2.00%	1.84%
TOTAL EQUITY	-8.51%	-12.63%	-1.35%	-1.35%	9.34%	9.21%	7.63%	12.89%
LARGE CAP								
Eagle	-10.01%	-13.30%	-3.03%	-3.03%	9.16%	11.91%	10.19%	16.11%
William Blair	-9.94%	-14.07%	6.22%	6.22%	15.36%	10.19%	8.77%	14.75%
S&P 500	-9.03%	-13.52%	-4.38%	-4.38%	7.93%	9.26%	8.49%	13.12%
CONVERTIBLES								
Macquarie	-3.81%	-5.84%	-3.55%	-3.55%	1.97%	5.13%	4.00%	n/a
VVAL - US VALUE	-4.89%	-9.11%	-4.08%	-4.08%	3.28%	4.09%	0.90%	n/a
INTERNATIONAL								
William Blair	-5.54%	-11.96%	-12.76%	-12.76%	4.08%	3.34%	n/a	n/a
MSCI EAFE	-4.85%	-12.54%	-13.79%	-13.79%	3.82%	2.87%	n/a	n/a
TOTAL FIXED INCOME	1.38%	1.93%	1.08%	1.08%	1.75%	1.87%	1.88%	3.21%
INTERMEDIATE								
Wedge	1.38%	1.93%	1.08%	1.08%	1.75%	1.87%	n/a	n/a
BLOOMBERG BARCLAYS INT. GOVT./CR.	1.34%	1.65%	0.88%	0.88%	1.52%	1.70%	1.86%	2.91%

Blended Benchmark Composition  
S&P 500 Index, Merrill Lynch US Value Convertible Bond Index, MSCI EAFE Index, Bloomberg Barclays Intermediate Govt./Credit Index, and the 91 Day Treasury Bill Index.  
Blended benchmark consists of a monthly weighted average of asset values and return by asset class and are geometrically linked. Variances in average asset totals can differ from target weights due to market fluctuations.

n/a : Not enough data to compute a return for the given time period

Core CPI represents all items less Food and Energy

Past performance of the blended benchmark is not static and reflects changes to the asset allocation

Returns are gross of fees

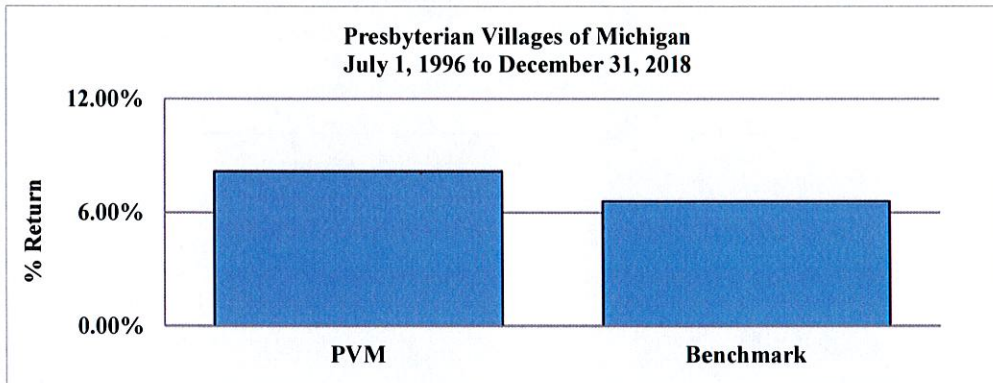
Composite returns include terminated managers

**PRESBYTERIAN VILLAGES OF MICHIGAN**  
**FOUNDATION**  
**MANAGER INVESTMENT PERFORMANCE**  
**FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018**

EQUITY MEASUREMENT		Wm. Blair All Cap RETURN	Eagle Large Cap RETURN	Macquarie Convertibles RETURN	Wm. Blair Int'l Equity RETURN	Wedge Fixed Income RETURN	Foundation Total RETURN
	INDEX						
S&P 500	-4.38%	6.33%	-3.21%				1.65%
MERRILL LYNCH US VALUE CONV.	-4.08%			-3.62%			-3.62%
EAFE	-13.79%				-13.21%		-13.21%
FIXED INCOME MEASUREMENT							
BLOOMBERG BARCLAYS INTER. GOVT./CR.	0.88%					1.06%	1.06%
SHORT TERM INDEX MEASUREMENT							
91-DAY TREASURY BILLS	1.83%	1.76%	1.76%	1.53%	1.88%	1.73%	1.70%
TOTAL RETURN		6.22%	-3.03%	-3.55%	-12.76%	1.08%	-0.50%
FEE ADJUSTED TOTAL RETURN		5.29%	-3.99%	-4.42%	-13.59%	0.90%	-1.17%
INDEX INVESTMENT PERFORMANCE RETURN		-4.38%	-4.38%	-4.08%	-13.79%	0.88%	-3.27%
BENCHMARK NET OF IMPLIED INDEX FEES							-3.58%

AVERAGE ASSET ALLOCATION						
EQUITY	98.73%	95.64%	97.48%	94.91%	0.00%	63.45%
FIXED INCOME	0.00%	0.00%	0.00%	0.00%	99.46%	34.36%
TEMPORARY INVESTMENTS	1.27%	4.36%	2.52%	5.09%	0.54%	2.19%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
INCEPTION-TO-DATE INVESTMENT PERFORMANCE  
FOR THE PERIOD ENDED DECEMBER 31, 2018**



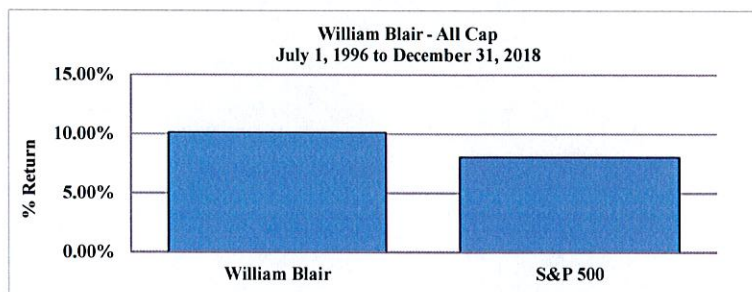
		Cummulative		Cummulative
	<u>PVM</u>	<u>PVM</u>	<u>Benchmark *</u>	<u>Benchmark</u>
07/01/96-12/31/96	7.9%	7.9%	8.9%	7.9%
01/01/97-12/31/97	13.4%	22.4%	25.0%	34.9%
01/01/98-12/31/98	26.2%	54.4%	20.7%	62.9%
01/01/99-12/31/99	8.8%	68.0%	13.7%	85.1%
01/01/00-12/31/00	13.8%	91.1%	-1.8%	81.9%
01/01/01-12/31/01	-0.2%	90.8%	-3.5%	75.5%
01/01/02-12/31/02	-5.5%	80.3%	-6.9%	63.4%
01/01/03-12/31/03	18.6%	113.8%	17.0%	91.2%
01/01/04-12/31/04	7.1%	129.0%	8.2%	106.8%
01/01/05-12/31/05	7.7%	146.6%	3.5%	114.0%
01/01/06-12/31/06	9.4%	169.9%	10.6%	136.6%
01/01/07-12/31/07	11.4%	200.5%	6.3%	151.6%
01/01/08-12/31/08	-21.4%	136.3%	-20.9%	99.0%
01/01/09-12/31/09	24.3%	193.6%	17.3%	133.4%
01/01/10-12/31/10	13.0%	231.8%	10.7%	158.3%
01/01/11-12/31/11	1.8%	237.9%	1.5%	162.1%
01/01/12-12/31/12	11.7%	277.5%	10.7%	190.1%
01/01/13-12/31/13	18.1%	345.7%	17.6%	241.1%
01/01/14-12/31/14	5.4%	369.9%	5.2%	258.8%
01/01/15-12/31/15	2.8%	383.1%	-0.5%	257.1%
01/01/16-12/31/16	6.6%	414.7%	6.5%	280.3%
01/01/17-12/31/17	14.4%	488.9%	13.3%	330.9%
01/01/18-12/31/18	<u>-0.5%</u>	<u>485.9%</u>	<u>-3.3%</u>	<u>316.8%</u>
<b>Inception to Date</b>	8.17%		6.59%	
<b>Annualized</b>				

**\* Blended Benchmark Composition**

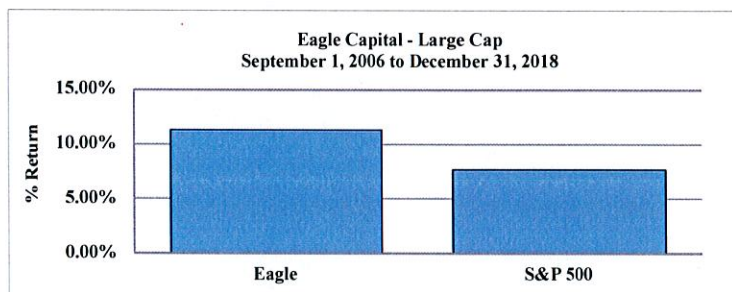
S&P 500 Index, Merrill Lynch U.S. Value Convertible Index, MSCI EAFE Index, Bloomberg Barclays Intermediate Govt./Credit Index, and 91 Day Treasury Bills Index

Blended benchmark consists of a monthly weighted average of asset values and return by asset class and are geometrically linked. Variances in average asset totals can differ from target weights due to market fluctuations.

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
INCEPTION-TO-DATE INVESTMENT PERFORMANCE  
FOR THE PERIOD ENDED DECEMBER 31, 2018**

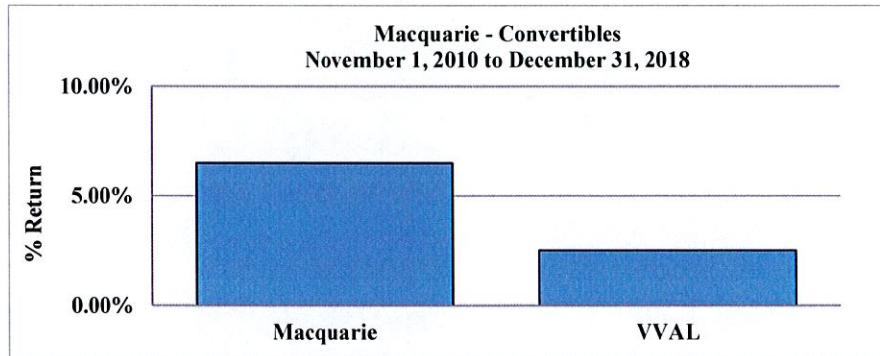


	<u>William Blair</u>	<u>S&amp;P 500</u>	<u>Russell 3000</u>
07/01/96-12/31/96	8.21%	11.64%	8.77%
01/01/97-12/31/97	15.13%	33.37%	28.74%
01/01/98-12/31/98	38.02%	28.58%	35.02%
01/01/99-12/31/99	13.56%	21.03%	33.82%
01/01/00-12/31/00	14.83%	-9.11%	-22.42%
01/01/01-12/31/01	-7.01%	-11.88%	-19.63%
01/01/02-12/31/02	-20.22%	-22.11%	-28.04%
01/01/03-12/31/03	31.76%	28.69%	30.97%
01/01/04-12/31/04	9.16%	10.87%	6.93%
01/01/05-12/31/05	11.22%	4.89%	5.17%
01/01/06-12/31/06	13.25%	15.81%	9.46%
01/01/07-12/31/07	14.76%	5.50%	11.40%
01/01/08-12/31/08	-38.56%	-36.99%	-38.44%
01/01/09-12/31/09	41.53%	26.45%	37.01%
01/01/10-12/31/10	15.81%	15.04%	17.64%
01/01/11-12/31/11	-0.60%	2.12%	2.18%
01/01/12-12/31/12	19.02%	15.99%	15.21%
01/01/13-12/31/13	38.31%	32.40%	34.23%
01/01/14-12/31/14	8.17%	13.69%	12.44%
01/01/15-12/31/15	5.99%	1.38%	0.29%
01/01/16-12/31/16	0.58%	11.96%	12.74%
01/01/17-12/31/17	25.85%	21.83%	21.13%
01/01/18-12/31/18	6.33%	-4.38%	-5.24%
<b>Inception to Date</b>	<b>10.14%</b>	<b>8.05%</b>	<b>7.08%</b>
<b>Annualized</b>			



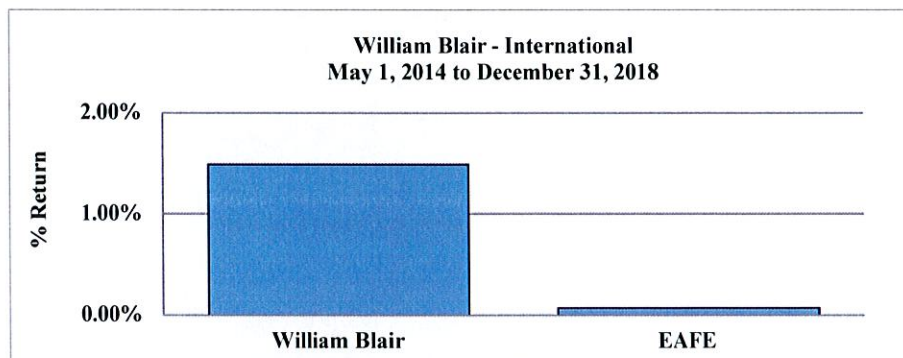
	<u>Eagle</u>	<u>S&amp;P 500</u>
09/01/06-12/31/06	9.02%	9.45%
01/01/07-12/31/07	10.88%	5.50%
01/01/08-12/31/08	-35.90%	-36.99%
01/01/09-12/31/09	36.24%	26.45%
01/01/10-12/31/10	21.82%	15.04%
01/01/11-12/31/11	6.47%	2.12%
01/01/12-12/31/12	18.60%	15.99%
01/01/13-12/31/13	36.72%	32.40%
01/01/14-12/31/14	12.74%	13.69%
01/01/15-12/31/15	5.08%	1.38%
01/01/16-12/31/16	19.17%	11.96%
01/01/17-12/31/17	24.15%	21.83%
01/01/18-12/31/18	-3.21%	-4.38%
<b>Inception to Date</b>	<b>11.35%</b>	<b>7.70%</b>
<b>Annualized</b>		

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
INCEPTION-TO-DATE INVESTMENT PERFORMANCE  
FOR THE PERIOD ENDED DECEMBER 31, 2018**



	<u>Macquarie</u>	<u>VVAL *</u>
11/01/10-12/31/10	5.30%	2.75%
01/01/11-12/31/11	-0.25%	-8.36%
01/01/12-12/31/12	11.70%	9.77%
01/01/13-12/31/13	16.28%	13.31%
01/01/14-12/31/14	7.63%	5.35%
01/01/15-12/31/15	-2.49%	-11.99%
01/01/16-12/31/16	11.92%	5.73%
01/01/17-12/31/17	8.17%	11.21%
01/01/18-12/31/18	<u>-3.62%</u>	<u>-4.08%</u>
<b>Inception to Date Annualized</b>	6.49%	2.51%

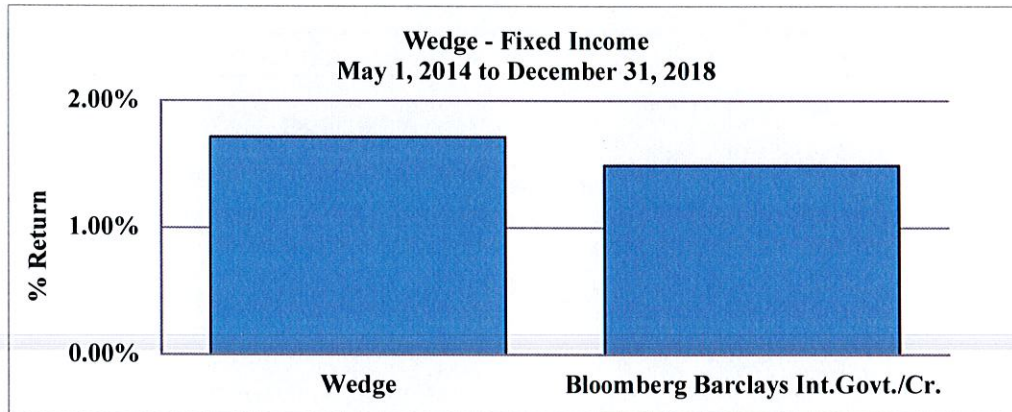
\* VVAL represents the Bank of America Merrill Lynch U.S. Value Convertible Bond Index.



	<u>William Blair</u>	<u>EAFE</u>
05/01/14-12/31/14	-3.60%	-7.08%
01/01/15-12/31/15	0.39%	-0.82%
01/01/16-12/31/16	1.96%	1.00%
01/01/17-12/31/17	25.12%	25.03%
01/01/18-12/31/18	<u>-13.21%</u>	<u>-13.79%</u>
<b>Inception to Date Annualized</b>	1.49%	0.07%



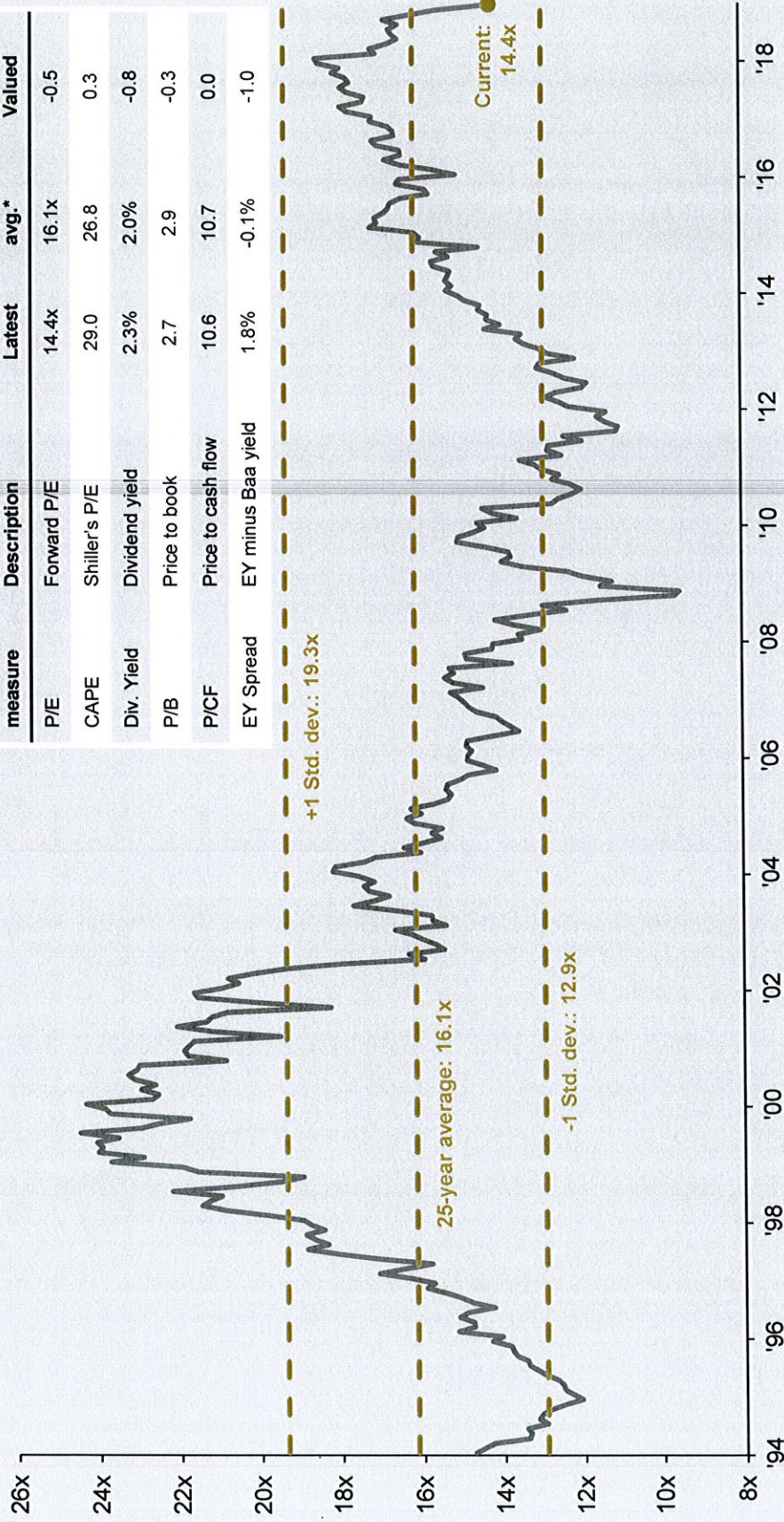
**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
INCEPTION-TO-DATE INVESTMENT PERFORMANCE  
FOR THE PERIOD ENDED DECEMBER 31, 2018**



	<u>Wedge</u>	<u>Bloomberg Barclays Int.Govt./Cr.</u>
05/01/14-12/31/14	0.68%	0.77%
01/01/15-12/31/15	1.67%	1.07%
01/01/16-12/31/16	2.13%	2.08%
01/01/17-12/31/17	2.44%	2.15%
01/01/18-12/31/18	<u>1.06%</u>	<u>0.88%</u>
<b>Inception to Date</b>	1.71%	1.49%
<b>Annualized</b>		



## S&amp;P 500 Index: Forward P/E ratio



Source: FactSet, FRB, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management.

Price to earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since December 1993, and FactSet for December 31, 2018. Average P/E and standard deviations are calculated using 25 years of IBES history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-month consensus dividend divided by most recent price. Price to book ratio is the price divided by book value per share. Price to cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 25 years for each measure. \*P/CF is a 20-year average due to cash flow data availability.

Guide to the Markets - U.S. Data are as of December 31, 2018.



## Returns and valuations by style

GTM - U.S. | 10

4Q 2018

2018

	Value	Blend	Growth	Value	Blend	Growth
Large	-11.7%	-13.5%	-15.9%	-8.3%	-4.4%	-1.5%
Mid	-15.0%	-15.4%	-16.0%	-12.3%	-9.1%	-4.8%
Small	-18.7%	-20.2%	-21.7%	-12.9%	-11.0%	-9.3%

Since market peak (October 2007)

Since market low (March 2009)

	Value	Blend	Growth	Value	Blend	Growth
Large	67.2%	103.7%	146.8%	317.0%	355.2%	403.3%
Mid	91.4%	103.5%	116.7%	388.6%	391.0%	401.0%
Small	69.6%	86.4%	102.7%	319.5%	349.4%	378.4%

Current P/E vs. 20-year avg. P/E

	Value	Blend	Growth
Large	12.4 / 13.7	14.4 / 15.8	17.6 / 19.6
Mid	12.3 / 14.2	14.2 / 16.2	18.5 / 21.1
Small	12.6 / 16.0	17.8 / 20.1	29.2 / 29.2

Current P/E as % of 20-year avg. P/E

	Value	Blend	Growth
Large	90.0%	90.9%	89.8%
Mid	86.8%	88.1%	87.5%
Small	78.8%	88.6%	99.9%

Source: FactSet, Russell Investment Group, Standard &amp; Poor's, J.P. Morgan Asset Management.

All calculations are cumulative total return, including dividends reinvested for the stated period. Since Market Peak represents period 10/9/07 – 12/31/18, illustrating market returns since the S&P 500 Index high on 10/9/07. Since Market Low represents period 3/9/09 – 12/31/18, illustrating market returns since the S&P 500 Index low on 3/9/09. Returns are cumulative returns, not annualized. For all time periods, total return is based on Russell style indices with the exception of the large blend category, which is based on the S&P 500 Index. Past performance is not indicative of future returns. The price to earnings is a bottom-up calculation based on the most recent index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates.

Guide to the Markets – U.S. Data are as of December 31, 2018.



# Returns and valuations by sector

GTM - U.S. | 11

## Equities

	Financials	Materials	Industrials	Real Estate	Cons. Discr.	Energy	Technology	Comm. Services*	Health Care	Cons. Staples	Utilities	S&P 500 Index
<b>S&amp;P weight</b>	13.3%	2.7%	9.2%	3.0%	9.9%	5.3%	20.1%	10.1%	15.5%	7.4%	3.3%	100.0%
Russell Growth weight	4.4%	1.8%	11.8%	2.3%	15.1%	0.8%	31.5%	11.9%	14.3%	6.0%	0.0%	100.0%
Russell Value weight	22.5%	4.1%	7.4%	4.9%	5.2%	9.3%	9.3%	7.3%	15.7%	7.8%	6.5%	100.0%
<b>4Q 2018</b>	-13.1	-12.3	-17.3	-3.8	-16.4	-23.8	-17.3	-13.2	-8.7	-5.2	1.4	-13.5
<b>2018</b>	-13.0	-14.7	-13.3	-2.2	0.8	-18.1	-0.3	-12.5	6.5	-8.4	4.1	-4.4
<b>Since market peak</b> (October 2007)	3.3	50.7	85.3	63.7	212.4	-4.8	198.2	35.1	195.7	147.9	98.8	103.7
<b>Since market low</b> (March 2009)	463.7	259.0	409.3	506.9	623.1	74.4	524.7	158.0	376.7	247.7	248.0	355.2
<b>Beta to S&amp;P 500</b>	1.41	1.27	1.25	1.12	1.12	1.07	1.02	0.91*	0.78	0.60	0.34	1.00
<b>Correl. to Treas. yields</b>	0.49	0.21	0.29	-0.20	0.29	0.49	0.17	0.22	0.25	0.15	-0.21	0.33
<b>Foreign % of sales</b>	31.2	52.7	44.6	-	34.1	54.1	56.9	-	38.2	32.5	41.3	43.6
<b>NTM Earnings Growth</b>	9.3%	5.9%	10.7%	3.6%	9.7%	7.2%	7.0%	6.0%*	7.3%	4.9%	5.2%	7.6%
<b>20-yr avg.</b>	22.6%	20.4%	11.0%	7.6%**	15.8%	13.4%	15.4%	10.7%*	9.9%	8.8%	5.0%	12.0%
<b>Forward P/E ratio</b>	10.4x	13.5x	13.6x	16.5x	18.3x	13.7x	15.1x	15.7x	14.9x	16.8x	16.2x	14.4x
<b>20-yr avg.</b>	12.7x	14.0x	16.2x	15.3x	18.0x	17.5x	20.6x	18.2x*	16.9x	16.9x	14.2x	15.8x
<b>Trailing P/E ratio</b>	11.4x	14.3x	15.0x	17.1x	20.1x	14.7x	16.1x	16.6x	16.0x	17.6x	17.1x	15.5x
<b>20-yr avg.</b>	15.4x	16.7x	17.9x	16.3x	20.5x	21.6x	24.0x	20.2x*	18.5x	18.2x	14.8x	17.6x
<b>Dividend yield</b>	2.6%	2.5%	2.3%	3.8%	1.5%	3.9%	1.9%	1.7%	1.9%	3.4%	3.7%	2.3%
<b>20-yr avg.</b>	2.3%	2.6%	2.1%	4.4%	1.4%	2.3%	1.0%	1.7%*	1.8%	2.7%	4.0%	2.0%
<b>Div</b>												

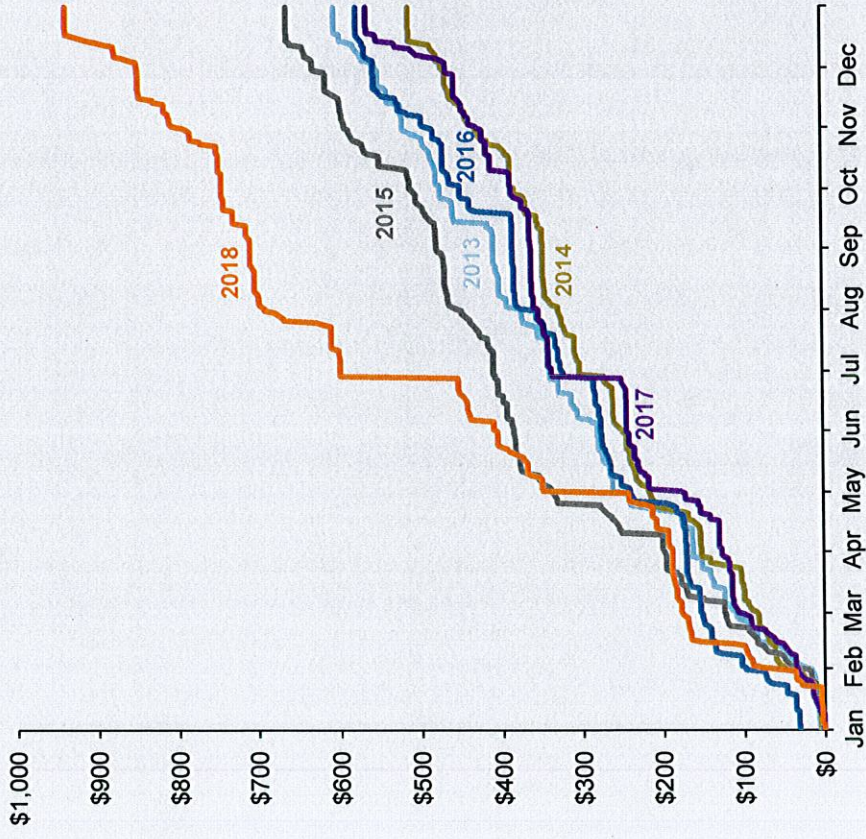
Source: FactSet, Russell Investment Group, Standard & Poor's, J.P. Morgan Asset Management. All calculations are cumulative total return, not annualized, including dividends for the stated period. Since market peak represents period 10/9/07 – 12/31/18. Since market low represents period 3/9/09 – 12/31/18. Correlation to Treasury yields are trailing 2-year monthly correlations between S&P 500 sector price returns and 10-year Treasury yield movements. Foreign percent of sales is from Standard & Poor's, S&P 500 2017: Global Sales report as of June 2018. Real Estate and Comm. Services foreign sales are not included due to lack of availability. NTM earnings growth is the percent change in next 12 months earnings estimates compared to last 12 months earnings provided by brokers. Forward P/E ratio is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates. Trailing P/E ratios are bottom-up values defined as month-end price divided by the last 12 months of available reported earnings from brokers. Dividend yield is calculated as the next 12-month consensus dividend divided by most recent price. Beta calculations are based on 10-years of monthly price returns for the S&P 500 and its sub-indices. \*Communication Services (formerly Telecom) averages and beta are based on 5-years of backtested data by JPMAM. \*\*Real estate NTM earnings growth is a 15-year average due to data availability. Past performance is not indicative of future returns.

**J.P.Morgan**  
Asset Management



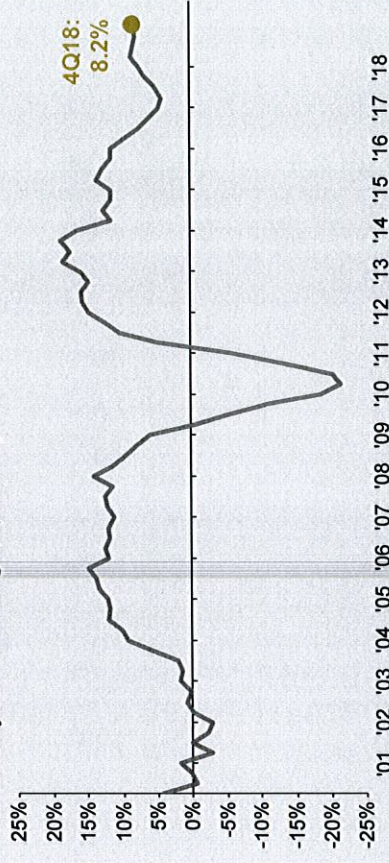
### S&P 500 announced buybacks

Value of announced buybacks, \$bn



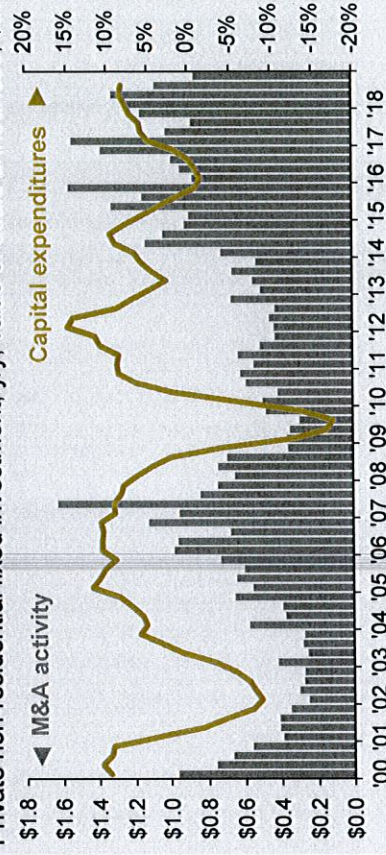
### S&P 500 dividends per share

Year-over-year % change, quarterly



### Corporate spending

Private non-residential fixed investment, y/y, value of deals announced, \$tn



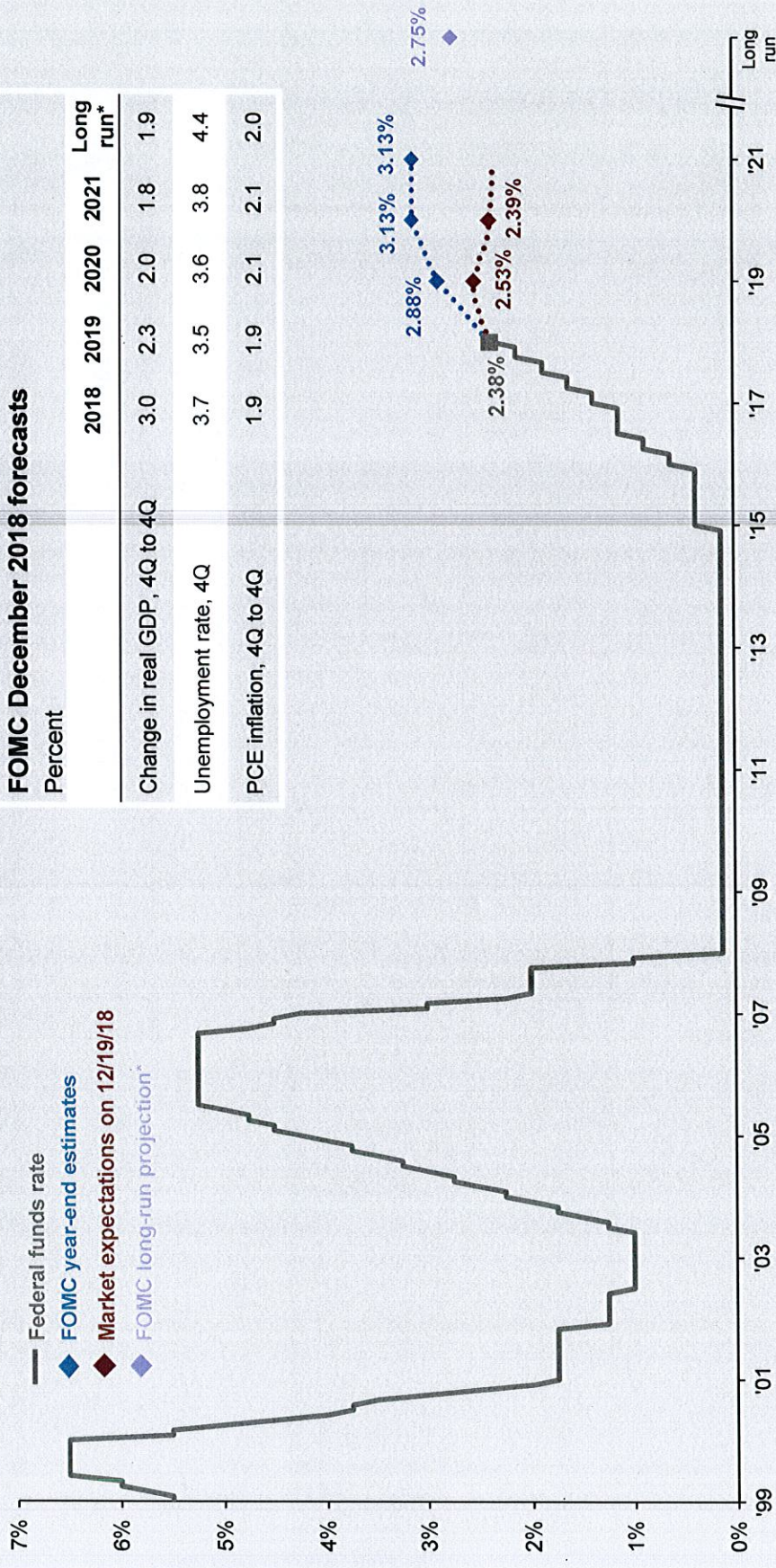
Source: Bloomberg, Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management.  
M&A activity is the quarterly value of officially announced transactions, and capital expenditures are private non-residential fixed domestic investment. Buybacks are based on company announcements year to date.  
Guide to the Markets - U.S. Data are as of December 31, 2018.





## Federal funds rate expectations

FOMC and market expectations for the federal funds rate



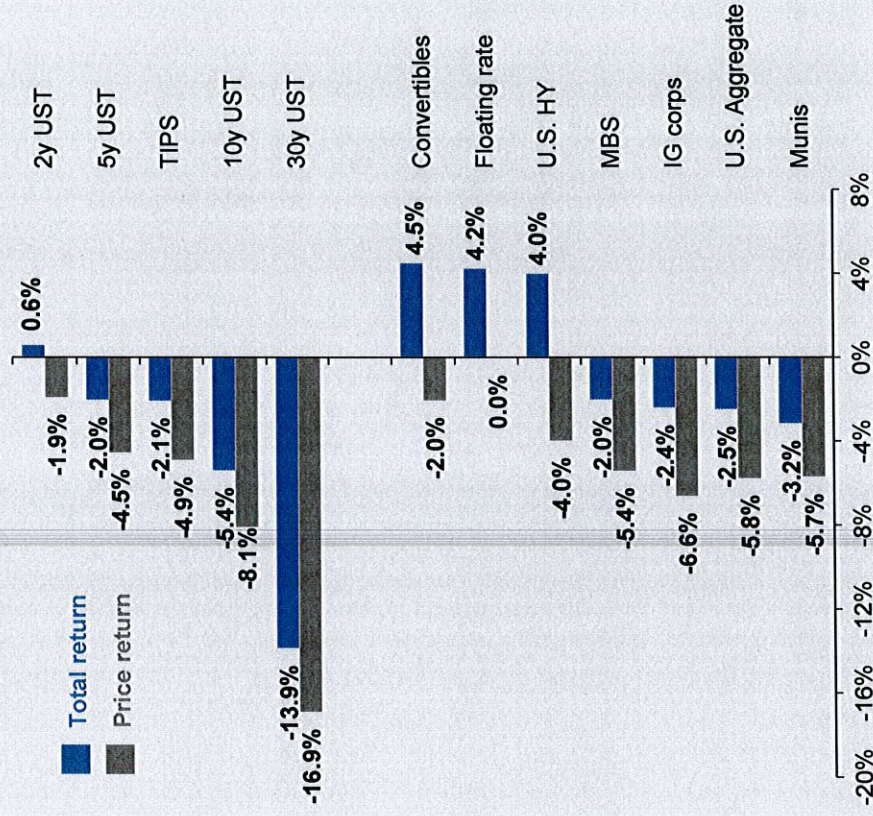
Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.  
Market expectations are the federal funds rates priced into the fed futures market as of the date of the December 2018 FOMC meeting and are through November 2021. \*Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy.  
*Guide to the Markets - U.S.* Data as of December 31, 2018.



	Yield		Return		Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
	12/31/2018	12/31/2017	2018	2017			
U.S. Treasuries	2.48%	1.89%	1.40%	1.40%	2 years	0.72	-0.17
2-Year	2.51%	2.20%	1.42%	1.42%	5	0.92	-0.23
5-Year	0.98%	0.44%	-1.26%	0.00%	10	0.62	0.07
10-Year	2.69%	2.40%	0.00%	0.00%	10	1.00	-0.31
30-Year	3.02%	2.74%	-2.72%	0.00%	30	0.92	-0.32
Sector							
Convertibles	6.54%	6.35%	-2.03%	-	-	-0.35	0.88
Floating Rate	4.26%	2.05%	0.92%	0.92%	3.0	-0.42	0.35
High Yield	7.95%	5.72%	-2.08%	5.8	5.8	-0.27	0.63
MBS	3.39%	2.91%	0.99%	7.2	7.2	0.77	-0.14
Broad Market	3.28%	2.71%	0.01%	8.2	8.2	0.87	-0.06
Corporates	4.20%	3.25%	-2.51%	10.7	10.7	0.46	0.23
Municipals	2.53%	2.26%	1.41%	10.0	10.0	0.56	-0.13

### Impact of a 1% rise in interest rates

Assumes a parallel shift in the yield curve and steady spreads



Source: Barclays, Bloomberg, FactSet, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg and are represented by – Broad Market: U.S. Aggregate; MBS: U.S. Aggregate Securitized – MBS; Corporate: U.S. Corporates; Municipals: Muni Bond 10-year; High Yield: Corporate High Yield; TIPS: Treasury Inflation-Protection Securities (TIPS); Floating Rate: FRN (BBB); Convertibles: U.S. Convertibles Composite. Yield and return information based on Bloomberg Barclays Global Convertibles. Sector yields reflect yield to worst. Convertibles yield is based on US portion of Bloomberg Barclays Global Convertibles. Correlations are based on 10-years of monthly returns for all sectors. Change in bond price is calculated using both duration and convexity according to the following formula: New Price = (Price + (Price \* Duration \* Change in Interest Rates)) + (0.5 \* Price \* Convexity \* (Change in Interest Rates)<sup>2</sup>). Chart is for illustrative purposes only. Past performance is not indicative of future results.



# Asset class returns

GTM - U.S. | 60



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ann.	2004 - 2018	Vol.
REITS	31.6%	34.5%	35.1%	39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITS 27.9%	REITS 8.3%	REITS 19.7%	Small Cap 38.8%	REITS 28.0%	REITS 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	REITS 8.5%	REITS 22.4%	
EM Equity	26.0%	Comdty. 21.4%	EM Equity 32.6%	Comdty. 16.2%	Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	EM Equity 8.3%	EM Equity 22.1%	
DM Equity	20.7%	DM Equity 14.0%	DM Equity 26.9%	DM Equity 11.6%	Asset Alloc. -26.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITS -4.0%	Large Cap 7.8%	Small Cap 18.6%	
Small Cap	18.3%	REITS 12.2%	Small Cap 18.4%	Asset Alloc. 7.1%	High Yield -26.9%	REITS 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 6.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	Small Cap 7.5%	Comdty. 18.6%	
High Yield	13.2%	Asset Alloc. 8.1%	Large Cap 15.8%	Fixed Income 7.0%	Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	High Yield 7.3%	DM Equity 17.6%	
Asset Alloc.	12.8%	Large Cap 4.9%	Asset Alloc. 15.3%	Large Cap 5.5%	Comdty. -35.6%	Large Cap 16.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITS 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITS 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	Asset Alloc. 6.2%	Large Cap 14.5%	
Large Cap	10.9%	Small Cap 4.6%	High Yield 13.7%	Cash 4.8%	Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITS 8.7%	Small Cap -11.0%	DM Equity 5.2%	High Yield 11.0%	
Comdty.	9.1%	High Yield 3.6%	Cash 4.8%	High Yield 3.2%	REITS -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 3.9%	Asset Alloc. 10.3%	
Fixed Income	4.3%	Cash 3.0%	Fixed Income 4.3%	Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.6%	Comdty. 1.7%	DM Equity -13.4%	Cash 1.3%	Fixed Income 3.3%	
Cash	1.2%	Fixed Income 2.4%	Comdty. 2.1%	REITS -15.7%	EM Equity -63.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Comdty. -2.5%	Cash 0.8%	

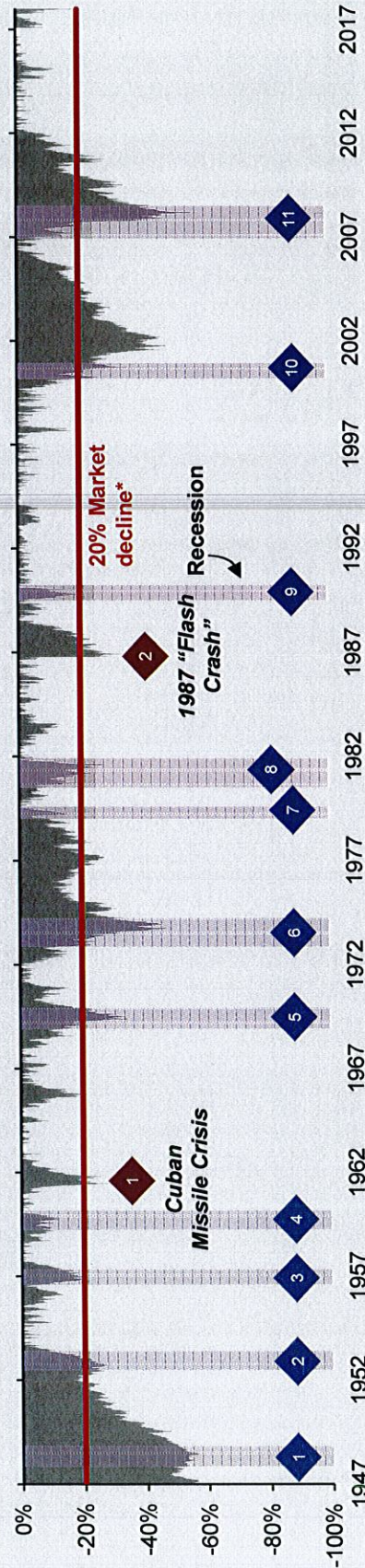
Source: Barclays, Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.  
 Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Barclays Global HY Index, Fixed Income: Bloomberg Barclays US Aggregate, REITS: NAREIT Equity REIT Index, Cash: Bloomberg Barclays 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg Barclays US Aggregate, 5% in the Bloomberg Barclays 1-3m Treasury, 5% in the Bloomberg Barclays Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period of 12/31/03 - 12/31/18. Please see disclosure page at end for index definitions. All data represents total return for stated period. Past performance is not indicative of future returns.

**J.P. Morgan**  
 Asset Management

Investing  
 principles



## U.S. recessions and S&amp;P 500 composite declines from all-time highs



## Characteristics of recessions and related stock market declines

	Recession	Recession				Related Market Sell-off			Macro Environment		
		Peak Quarter	Trough Quarter	% Decline	Peak Date	Trough Date	% Decline	Commodity Spike	Aggressive Fed	Extreme Valuations	
1	Recession of 1949	4Q48	4Q49	-1.5%	6/15/1948	6/13/1949	-21%				
2	Recession of 1953	2Q53	2Q54	-2.4%	1/5/1953	9/14/1953	-15%				
3	Recession of 1958	3Q57	2Q58	-3.0%	8/2/1956	10/22/1957	-22%				
4	Recession of 1960-61	2Q60	1Q61	-0.1%	8/3/1959	10/25/1960	-14%				
5	Recession of 1969-70	4Q69	4Q70	-0.2%	11/29/1968	5/26/1970	-36%				
6	Recession of 1973-75	4Q73	1Q75	-3.1%	1/11/1973	10/3/1974	-48%				
7	Recession of 1980	1Q80	3Q80	-2.2%	2/13/1980	3/27/1980	-17%				
8	Recession of 1981-82	3Q81	4Q82	-2.5%	11/28/1980	8/12/1982	-27%				
9	Early 1990s recession	3Q90	1Q91	-1.4%	7/16/1990	10/11/1990	-20%				
10	Early 2000s recession	1Q01	4Q01	-0.4%	3/24/2000	10/9/2002	-49%				
11	Great Recession	4Q07	2Q09	-4.0%	10/9/2007	3/9/2009	-57%				
<b>Non-recession Bear Markets</b>											
1	1962 flash crash, Cuban Missile Crisis	-	-	-	12/12/1961	6/26/1962	-28%				
2	1987 flash crash, program trading, overheating markets	-	-	-	8/25/1987	12/4/1987	-34%				
<b>Average</b>				<b>-1.9%</b>			<b>-30%</b>				

Source: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.

\*A bear market is defined as a 20% or more decline from the previous market high. The related market return is the peak to trough return over the cycle. Periods of "Recession" are defined using NBER business cycle dates. "Commodity spikes" are defined as movement in oil prices of over 100% over an 18-month period. Periods of "Extreme Valuations" are those where S&P 500 last 12 months' P/E levels were approximately two standard deviations above long-run averages, or time periods where equity market valuations appeared expensive given the broader macroeconomic environment. "Aggressive Fed Tightening" is defined as Federal Reserve monetary tightening that was unexpected and/or significant in magnitude. Bear and Bull returns are price returns.

Guide to the Markets - U.S. Data are as of December 31, 2018.

## **Investment Index Definitions**

The **S&P 500 Large Cap Index** is a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 Index focuses on the large-cap segment of the market, with approximately 75% coverage of the U.S. equities, it is also an ideal proxy for the total market.

The **S&P 400 Mid Cap Index** is representative of 400 stocks that have a market capitalization ranging from \$2 billion to \$10 billion, representing all major industries.

The **S&P 600 Small Cap Index** is representative of 600 stocks that have a market capitalization from \$300 million and \$2 billion. Since this index contains small firms, it represents only 3% of the value of the overall market.

The **Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization which represents approximately 98% of the investable U.S. equity markets

The **Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The **MSCI EAFE (Europe, Australia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada. The index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The **NAREIT Equity REIT Index** contains all tax qualified REITs with more than fifty percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

The **Bank of America Merrill Lynch Convertible Bond Index (U.S. Value)** tracks the performance of domestic corporate convertible bonds and convertible preferred stock issues that have a market value of \$50 million or more at issuance, not currently in bankruptcy. Convertible into US dollar denominated common stock, ADR's, or cash equivalent, and have a significant company footprint in the U.S.

The **Bloomberg Barclays Capital U.S. Aggregate Index** measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the U.S. - including government, corporate, mortgage-backed, and asset-backed securities, all with maturities of more than five years.

The **Bloomberg Barclays Capital Intermediate Government/Credit Index** measures the performance of U.S. dollar denominated U.S. Treasuries, government related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Bloomberg Barclays Capital 1-3 Year Government/Credit Index** measures the performance of U.S. dollar denominated U.S. Treasuries, government related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than three years



## **Investment Index Definitions**

The **Bloomberg Barclays Capital Intermediate U.S. Government Index** represents of fixed income obligations issued by the U.S. Treasury, government agencies and quasi-federal corporations that have a remaining maturity of greater than three years and less than ten years.

The **Citigroup World Government Bond Index (Un-Hedged)** consists of global government bonds with maturities greater than one year. It includes fixed-rate sovereign debt issued in the domestic market of fifteen countries, excluding the U.S.

The **Citigroup World Government Bond Index (Hedged)** consists of global government bonds with maturities greater than one year. It includes fixed-rate sovereign debt issued in the domestic market of fifteen countries, excluding the U.S., hedged to the U.S. dollar.

The **91-Day Treasury Bill Index** is a short-term debt obligation backed by the U.S. government with a maturity of less than one year. T-bills are sold in denominations of \$1,000 up to a maximum purchase of \$5 million and commonly have maturities of one month, three months or six months.

The **Bank of America Merrill Lynch 0-2 Year Treasury Index** tracks the performance of the U.S. dollar denominated U.S. Treasury Bills, publicly issued in the U.S. domestic market, with a remaining term to final maturity ranging from 30 days to 730 days.

## **Disclosure**

The performance data quoted represents past performance. Past performance is no guarantee of future results. Investing entails risks, including possible loss of principal. This report is provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell, or hold a security or pursue a particular investment strategy. The information in this report reflects prevailing market conditions and our judgment as of this date, which are subject to change. This information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability.

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***AILERON LTD.***

# CALVIN SOCIETY MEMBERSHIP

(Mr. Denler)

Tab 3

# **DONOR STEWARDSHIP**

**(Ms. Jackson)**

**Tab 4**

# **BOARD GENERATIVE DISCUSSION**

**(Mr. Gompers/Mr. Miller)**

**Tab 5**



# **PRESIDENT'S REPORT**

**(Mr. Miller)**

**Tab 6**



## PVM FOUNDATION EXECUTIVE SUMMARY

January 22, 2019

*Overview as of January 8, 2019*

### PVMF STRATEGIC PLAN FUNDRAISING UPDATE (1-1-2018 through 12/31/2018)

Cash and Pledges:	\$ 2,151,691
CFSEM Gifts:	\$ 0
Unrealized Planned Gifts:	\$ 0
Federal Grants:	\$ 0
<u>Earned Income*:</u>	<u>\$ 145,941</u>
<b>TOTAL RAISED:</b>	<b>\$ 2,297,632</b>
<b>GOAL THROUGH 2022:</b>	<b>\$15,000,000</b>
<b>AMOUNT TO GOAL:</b>	<b>\$12,702,368</b>

### 2018 Progress through December 31, 2018

Cash and Pledges:	\$ 2,151,691
CFSEM Gifts:	\$ 0
Unrealized Planned Gifts:	\$ 0
Federal Grants <i>(none budgeted for 2018):</i>	\$ 0
<u>Earned Income*:</u>	<u>\$ 145,941</u>
<b>TOTAL RAISED:</b>	<b>\$ 2,297,632</b>
<b>GOAL THROUGH 2018:</b>	<b>\$ 2,690,000</b>
<b>AMOUNT TO GOAL:</b>	<b>\$ 392,368</b>

*\*Thru November 2018*

Fundraising Grants Raised for 3 <sup>rd</sup> Parties	\$ 100,000
Fundraising Management Revenue Generated	\$ 10,000

### Fundraising Update: Bay Connect/Northern Michigan

Goal: \$900,000

Amount Raised: \$326,230

Left to Raise: \$573,770

#### **New Significant Gifts:**

- Petoskey-Harbor Springs Area Community Foundation awarded \$15,000 Sept 2018

#### **Project/Fundraising Update (*looking forward*):**

- Submitting a second grant request to the Weinberg Foundation for \$160,000.
- Looking at submitting grants to local churches.
- The Hillside/Perry Farm Board to determine a yearly fundraiser

### Fundraising Update: The Village of East Harbor Health & Wellness Center

Goal: \$2,142,000

Amount Raised: \$1,957,387



**Left to Raise: \$184,613**

**New Significant Gifts:**

- **\$5,000 – Audrey Bolton**
- **\$5,000 – First Foundation-First Presbyterian Church of Birmingham**

**Project/Fundraising Update (*looking forward*):**

- Focusing on the upcoming April Friends & Family to raise some of the remaining funds.
- Reaching out to major gift donors for naming gifts
- Asking residents for \$1,000+ donations to be on the donor wall.

**PLANNED GIVING UPDATE**

**New Significant Gifts:**

- **None for this period.**

**Project/Fundraising Update:**

- Developing a tailored bequest letter to current donors and residents to mail in February 2019.
- John Denler to contact PVM Board Members about making a planned gift and joining the Calvin Society in 2019.
- The upcoming PVMF newsletter will focus on the planned gift of Marguerite Nolan (additionally at East Harbor there will be table cards and tents highlighting her bequest).

**GRANT FUNDING UPDATE**

**New Grants Received      \$10,000**

\$5,000      First Foundation - First Presbyterian Church of Birmingham  
\$5,000      Kirk in the Hills for Benevolence

**Grants Pending      \$1,710,000**

\$1,500,000      Harry and Jeanette Weinberg Foundation capital request for University Meadows  
\$160,000      Harry and Jeanette Weinberg Foundation for Bay Connect year 2  
\$50,000      Presbyterian Women USA for VEH Health & Wellness Center

**Future Submissions      \$6,125,000**

\$5,000,000      Thome Memorial Foundation  
\$500,000      Michigan Health Endowment Fund  
\$500,000      Kresge Foundation  
\$125,000      Strosacker Foundation

**OPERATIONS**

**Operating (expenses) Budget Update:**

- Through November 2018, PVM Foundation departmental expenses are \$54,873 under budget, due to an open position.

**Updates:**

- 2019 draft budget will be submitted for review.

**SPECIAL EVENTS**

- **PVMF Gala Volunteer and Sponsor Appreciation Party** will be held Wednesday, Feb. 13<sup>th</sup> at 5:30pm. Location: The Villages of Redford.
- **Save the Date** PVM's annual **Village Victory Cup** will be held Friday, June 22<sup>nd</sup> at Suburban Collection Showcase in Novi.

**UPCOMING MAILINGS**

- PVMF *Giving Matters* 1<sup>st</sup> issue expected to mail in February; 4 issues total planned for 2019.

- **Easter** mailing to loyal donors expected to mail in March.
- **Friends & Family Campaign** will be held in April, with a mailing expected in late March.

## **CHURCH RELATIONS UPDATE**

- First Foundation/First Presbyterian Birmingham approved \$5,000 (asked \$35,000) for East Harbor Health & Wellness Center.
- Kirk in the Hills approved \$5,000 (asked \$15,000) for benevolence at The Village of Oakland Woods.
- Researching churches to visit and pursue as prospective donors, including those near Villages.
- Stewarding gifts from Grosse Ile Presbyterian and Grosse Pointe Memorial Church.

## **GIVING PERCENTAGE/DONOR UPDATE**

**BOARD GIVING: 87%**

**CUMULATIVE BOARD GIVING: \$252,627**

**MANAGEMENT GIVING: 82%\***

**EMPLOYEE GIVING: 16%**

**DONOR BASE TO-DATE: 1,132**

**NEW DONORS TO-DATE: 279**

**RETURNING DONORS TO-DATE: 853**

**Board Giving Detail (as of December 31, 2018)**

<b>Board</b>	<b>% Giving</b>	<b># of Total Board Members</b>
<b>PVM Foundation</b>	<b>100%</b>	<b>17</b>
<b>PVM Corporate</b>	<b>100%</b>	<b>18</b>
<b>East Harbor</b>	<b>100%</b>	<b>13</b>
Redford	83%	6
Westland	89%	9
Bethany Manor	88%	8
Brush Park/Woodbridge Manor	85%	13
<b>Hampton Meadows</b>	<b>100%</b>	<b>5</b>
Harmony Manor	78%	9
<b>Hartford Village*</b>	<b>100%</b>	<b>7</b>
Hillside/Perry Farm	73%	11
<b>Holly Woodlands</b>	<b>100%</b>	<b>7</b>
<b>Mill Creek*</b>	<b>100%</b>	<b>8</b>
Oakland Woods	90%	10
Oakman Manor	83%	12
<b>Our Saviour's Manor</b>	<b>100%</b>	<b>9</b>
Peace Manor	80%	5
Rosebush	80%	15
Sage Grove	75%	4
Spring Meadows	67%	6
St. Martha's	92%	13
<b>Thome Rivertown Neighborhood^</b>	<b>100%</b>	<b>4</b>
Warren Glenn	33%	3

\*Board and Management Staff giving not expected until after 90 days of membership

^UMRC representatives not included, only PVM members

## GRANT ALLOCATIONS UPDATE

	Grants Awarded in 2018	2017 Grant Dollars Rolled Over
<b>Bethany Manor</b>	<b>1,000</b>	<b>2,000</b>
Resident Activities	1,000	2,000
<b>Brush Park Manor PV</b>	<b>1,188</b>	
Resident Activities	1,188	
<b>East Harbor</b>	<b>277,400</b>	<b>601,636</b>
Chapel expenses	29,000	23,000
2 Christmas floral arrangements	-	113
Health and Wellness Center & \$248,400 for Cameron Café	248,400	578,523
<b>Hampton Meadows</b>	<b>-</b>	<b>2,000</b>
Resident Activities	-	2,000
<b>Harmony Manor</b>	<b>-</b>	<b>8,075</b>
Resident Activities	-	3,075
Resident and Village activities	-	5,000
<b>Hartford Village</b>	<b>19,671</b>	<b>10,684</b>
CFSEM grant to cover service coordinator	-	10,684
general Village Activities	19,671	-
<b>Hillside</b>	<b>10,735</b>	<b>362,975</b>
Bay Connect	120	320,970
Resident Activities	-	4,000
\$5,000 grant from Henry and Consuelo Wenger Fdn for sound baffling panels, printers, garden	7,815	34,517
\$2,800 from PHSACF Apr 2018 grant	2,800	-
\$3,782.25 from 2017 F&F for outdoor improvements	-	3,488
<b>Holly Woodlands</b>	<b>-</b>	<b>12,281</b>
Resident Activities	-	2,835
Technology F&F 2016	-	7,401
Facility Improvements	-	2,045
<b>Michigan Masonic Home</b>	<b>675,000</b>	<b>-</b>
Weinberg grant for PACE Central MI	675,000	-
<b>Mill Creek</b>	<b>-</b>	<b>1,000</b>
Resident Activities	-	1,000
<b>Oakland Woods</b>	<b>27,997</b>	<b>20,584</b>
Annual Westerman Funds for Resident Activities	7,695	623
\$13,500 Gift from Kirk in the Hills reallocated from sidewalk repair to tree replacement	15,945	-
\$4,357 CGA received in 2017	4,357	19,961
<b>Oakman Manor</b>	<b>6,903</b>	<b>3,487</b>
Village Improvements	1,972	-
Transportation for residents	-	336
Outdoor Living, including F& F 2016	-	2,299
2018 F&F \$4,531	4,931	852
<b>Our Saviour's Manor</b>	<b>2,921</b>	<b>2,300</b>
Resident Activities	121	384
Wireless Access in Common Areas (\$2800 MNA grant + \$1605.60 F&F 2017 + \$1350 OSM Share the Care 2017)	2,800	1,916



<b>Peace Manor</b>	<b>11,379</b>	<b>2,304</b>
Resident Activities	3,036	104
VVC practice equipment	382	-
General Village Activities - dance classes, VVC equipment	7,597	-
Resident Outdoor and Community Room Enhancements	-	2,200
Wellness Grant for Senior Fitness Certification	364	-
<b>Perry Farm Village</b>	<b>14,504</b>	<b>21,885</b>
Resident Benevolence	4,800	15,885
Facility Improvements	1,269	-
Kitchen upgrade	-	6,000
Gifts to PFV general gift fund	8,435	-
<b>Redford</b>	<b>26,623</b>	<b>74,050</b>
Resident Wellbeing	-	10,050
VVC practice equipment	287	-
Resident Transportation	-	4,000
Resident Activities & Grounds Improvement	24,300	10,000
Grounds Improvement	-	50,000
Resident Activities (holiday luncheon, movies, resident council)	2,037	-
<b>Rosebush</b>	<b>15,500</b>	<b>39,419</b>
Fire Suppression System Upgrade	-	39,327
F&F 2018 for general projects	15,000	-
\$500 donor designated	500	92
<b>Sage Grove</b>	<b>956</b>	<b>1,293</b>
Resident Activities	464	1,293
Wellness Grant for Chair Exercise Training	492	-
<b>St. Martha's</b>	<b>-</b>	<b>10,133</b>
Resident Activities	-	1,011
Raised Garden Bed	-	547
for Village Activities and Improvement	-	4,754
Outdoor Living	-	3,820
<b>Warren Glenn</b>	<b>-</b>	<b>9,772</b>
F&F 2018 celebration	-	9,772
<b>Wellness</b>	<b>126,815</b>	<b>17,750</b>
Fall Risk Reduction	-	17,750
Web-based system for VVC	15,000	-
VVC expenses paid by sponsorships	11,815	-
MHEF grant to develop Caregivers Best Friend app	100,000	-
<b>Westland</b>	<b>13,327</b>	<b>-</b>
F&F 2018	13,327	-
<b>Woodbridge</b>	<b>1,492</b>	<b>522</b>
Resident Activities	1,492	522
<b>Grand Total</b>	<b>1,233,411</b>	<b>1,204,150</b>

PVM Foundation Executive Summary  
January 2019 Meeting  
Financial Statement Highlights

The market value of Cash and Investments at November 30, 2018 was \$14,277,000. This is a net increase of \$1,307,000 from December 31, 2017. Items to note:

- \$1,000,000 Pledge Receivable at December 31, 2017 was received from the Harry and Jeanette Weinberg Foundation (Weinberg Grant)
- \$900,000 was received for the Nolan Bequest (Unrestricted funds to East Harbor)
- \$540,000 of Weinberg Grant disbursed to Michigan Masonic Home for investing in PACE Central Michigan
- \$360,000 of Weinberg Grant disbursed to PVM for investing in PACE Central Michigan
- \$250,000 Pledge Receivable at December 31, 2017 was received for the East Harbor Cameron Café
- \$250,000 Pledge in November from the Michigan Endowment Fund (paid in December)
- \$204,000 Disbursed for Village of Redford Bond Payments from Pratt Funds
- \$195,000 Disbursed to East Harbor and Westland for Benevolence
- \$130,000 Raised for Friends and Family
- \$100,000 of the Weinberg Grant was kept by PVMF as Fundraising Management Fees
- \$100,000 Contribution received from the Michigan Health Endowment Fund
- \$75,000 Contributions (large gifts) received for the East Harbor Health and Wellness Project
- Unrealized and realized gains/ (losses) reinvested in portfolio.

The increase in PVMF Net Assets from all funds of \$37,000 through November 30, 2018, is \$1,209,000 greater than budgeted expectations (budgeted loss of (\$1,171,000) ; primarily due to \$972,000 more in Contributions than budgeted, losses in Adjustments to Market, gains on Sales of Assets and the timing of grant disbursements.

Other Items of Note:

Unrestricted Funds

- Contributions \$933,000 greater than budget. East Harbor received a bequest of an estimated \$950,000. \$900,000 received in September 2018, with the balance expected in early 2019.
- Salaries \$41,000 less than budget primarily due to maternity leaves and changes in personnel
- Consultant Expense \$28,000 greater than budget due to new contracts
- Unrealized Gain/ (Loss) on Investments (\$360,000) (no budget on unrealized gains/(losses)
- Realized Gain/(Loss) on Investments \$396,000 greater than budget
- Investment Income \$105,000 greater than budget

Temporarily Restricted Funds

- Contributions \$39,000 greater than budget
- Unrealized Gain/(Loss) on Investments (\$105,000) (no budget on unrealized gains/(losses)
- Realized Gain/(Loss) on Investments \$128,000 (no budget on unrealized gains/(losses)
- Investment Income \$179,000 less than budget
- Grant payments \$179,000 less than budgeted due to timing of work and payments

# Presbyterian Villages of Michigan Foundation

## Balance Sheet

	11/30/2018	12/31/2017
<b>ASSETS</b>		
Cash	\$260,230	\$320,514
Accrued Interest Receivable	\$62,477	\$57,544
Pledges Receivable-Current	\$48,162	\$1,312,449
Investments	\$14,016,282	\$12,649,251
Beneficial Interests	\$224,083	\$223,139
Beneficial Interests-Other	\$58,520	\$58,520
Pledges Receivable-Non Current	\$1,452,261	\$1,424,501
Loan Receivable-Perry Farm	\$0	\$0
Capital Purchases	\$0	\$0
Miscellaneous Assets	\$4,800	\$4,800
Prepaid Assets	\$1,610	\$1,610
Other Receivables	\$0	\$583
Total ASSETS	<u>\$16,128,424</u>	<u>\$16,052,911</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$64,348	\$42,216
Due to PVM	\$309	\$0
Accrued Payroll	\$48,744	\$32,479
Liability Under Split Interest Agreements	(\$11,783)	(\$11,198)
Due To/From Interfund	\$0	\$0
Total LIABILITIES	<u>\$101,618</u>	<u>\$63,497</u>
<b>NET ASSETS</b>		
Unrestricted Funds	\$7,297,341	\$6,563,922
Temporarily Restricted Funds	\$4,461,625	\$5,098,865
Permanently Restricted Funds	\$4,267,840	\$4,326,628
Total NET ASSETS	<u>\$16,026,806</u>	<u>\$15,989,414</u>
Total LIABILITIES AND NET ASSETS	<u>\$16,128,424</u>	<u>\$16,052,911</u>
<b>BEGINNING BALANCE WITH CURRENT YEAR ADJUSTMENTS</b>		
	\$15,989,414	\$14,250,607
<b>NET SURPLUS/(DEFICIT)</b>		
	\$37,392	\$1,738,807
<b>ENDING FUND BALANCE</b>		
	<u>\$16,026,806</u>	<u>\$15,989,414</u>



# Presbyterian Villages of Michigan Foundation

## Income Statement

12/18/2018 12:22:15 PM

	11/1/2018 11/30/2018 ACTUAL	11/1/2018 11/30/2018 BUDGET	Variances	11/1/2018 11/30/2018 ACTUAL	11/1/2018 11/30/2018 BUDGET	Variances	2018 ANNUAL BUDGET
UNRESTRICTED FUNDS							
UNRESTRICTED FUNDS OPERATING							
OPERATING REVENUES							
A CONTRIBUTIONS	\$34,275	\$60,000	(\$25,725)	\$1,313,398	\$380,000	\$933,398	\$460,000
FUNDRAISING MANAGEMENT FEE REVENUE	\$902	\$500	\$402	\$55,219	\$70,500	(\$15,281)	\$199,000
B GRANT ALLOCATIONS/MATCHING FUND TRANSFERS	\$0	\$0	\$0	(\$90,077)	\$0	(\$90,077)	\$0
F INVESTMENT INCOME	\$25,071	\$16,667	\$8,404	\$363,207	\$258,333	\$104,874	\$300,000
Total OPERATING REVENUES	\$60,247	\$77,167	(\$16,919)	\$1,641,746	\$708,833	\$932,913	\$959,000
OPERATING EXPENSES							
G FOUNDATION OPERATIONS	\$103,938	\$61,417	(\$42,521)	\$704,275	\$759,148	\$54,873	\$854,617
H OTHER UNRESTRICTED	\$0	\$0	\$0	\$22,225	\$5,250	(\$16,975)	\$7,000
I GRANTS-EQUIPMENT	\$0	\$0	\$0	\$9,000	\$0	(\$9,000)	\$0
P GIFTS AND GRANTS	\$0	\$0	\$0	\$481,570	\$477,019	(\$4,551)	\$777,019
Total OPERATING EXPENSES	\$103,938	\$61,417	(\$42,521)	\$1,217,070	\$1,241,417	\$24,347	\$1,638,636
Total UNRESTRICTED FUNDS OPERATING	(\$43,691)	\$15,750	(\$59,441)	\$424,676	(\$532,584)	\$957,260	(\$679,636)
UNRESTRICTED FUNDS NON-OPERATING-REVENUES							
D 4805-050-01 ADJUSTMENT TO MARKET VALUE	\$29,371	\$0	\$29,371	(\$360,251)	\$0	(\$360,251)	\$0
E 4820-050-01 GAIN ON SALES OF ASSETS	\$122,916	\$25,000	\$97,916	\$671,063	\$275,000	\$396,063	\$300,000
5822-910-01 CHANGE IN ACTUARIAL VALUE - PVM GIFT AN	\$0	\$0	\$0	(\$944)	\$0	\$944	\$0
Total UNRESTRICTED FUNDS NON-OPERATING-REVENUES	\$152,286	\$25,000	\$127,286	\$311,756	\$275,000	\$36,756	\$300,000
UNRESTRICTED FUNDS NON-OPERATING-EXPENSES							
F 5681-910-01 AMORTIZATION EXPENSE	\$274	\$274	\$0	\$3,013	\$3,014	\$1	\$3,288
Total UNRESTRICTED FUNDS NON-OPERATING-EXPENSES	\$274	\$274	\$0	\$3,013	\$3,014	\$1	\$3,288
Total UNRESTRICTED FUNDS	\$108,321	\$40,476	\$67,846	\$733,420	(\$260,598)	\$994,017	(\$382,924)
TEMPORARILY RESTRICTED FUNDS							
REVENUES							

# Presbyterian Villages of Michigan Foundation

## Income Statement

A	CONTRIBUTIONS	11/1/2018	11/1/2018	11/1/2018	11/1/2018	2018 ANNUAL
		11/30/2018	11/30/2018	11/30/2018	11/30/2018	BUDGET
		ACTUAL	BUDGET	ACTUAL	Variances	
		\$274,784	\$5,000	\$743,566	\$38,566	\$1,990,000
B	GRANT ALLOCATIONS/MATCHING FUND TRANSFERS	\$242	\$0	\$151,970	\$151,970	\$0
D	UNREALIZED GAINS AND LOSSES	\$8,352	\$0	(\$104,639)	(\$104,639)	\$0
E	REALIZED GAINS AND LOSSES	\$21,572	\$0	\$128,114	\$128,114	\$0
F	INVESTMENT INCOME	\$4,400	\$3,333	(\$217,266)	(\$178,933)	(\$60,000)
	CHANGE IN PLEDGES DISCOUNT	\$0	\$0	(\$4,163)	(\$18,337)	(\$30,000)
	Total REVENUES	\$309,350	\$8,333	\$697,582	\$53,415	\$1,990,000
EXPENSES						
H	OTHER	\$5,000	\$583	(\$3,980)	\$25,397	\$27,000
J	GRANTS-WELLNESS	\$0	\$4,708	\$14,022	\$37,770	\$56,500
K	GRANTS-EQUIPMENT	\$1,955	\$0	\$380,775	\$7,045	\$639,820
N	GRANTS-OTHER PROGRAM EXPENSES	\$35,068	\$42,916	\$864,166	\$147,914	\$1,055,000
O	GRANTS-BENEVOLENCE	\$2,213	\$1,000	\$27,862	(\$16,862)	\$12,000
P	GIFTS AND GRANTS	\$0	\$0	\$6,759	(\$6,759)	\$0
	FUNDRAISING MANAGEMENT FEES	\$902	\$500	\$45,219	\$25,281	\$199,000
	Total EXPENSES	\$45,139	\$49,708	\$1,334,822	\$219,786	\$1,989,320
	Total	\$264,211	(\$41,375)	(\$637,240)	\$273,201	(\$89,320)
	Total TEMPORARILY RESTRICTED FUNDS	\$264,211	(\$41,375)	(\$637,240)	\$273,201	(\$89,320)
PERMANENTLY RESTRICTED FUNDS						
REVENUES						
A	CONTRIBUTIONS	\$2	\$0	\$23	\$23	\$0
B	GRANT ALLOCATIONS/MATCHING FUND TRANSFERS	\$0	\$0	(\$58,811)	(\$58,811)	\$0
	Total REVENUES	\$2	\$0	(\$58,788)	(\$58,788)	\$0
EXPENSES						
H	OTHER	\$0	\$0	\$0	\$75	\$100
	Total EXPENSES	\$0	\$0	\$0	\$75	\$100

# Presbyterian Villages of Michigan Foundation Income Statement

	11/1/2018 11/30/2018 ACTUAL	11/1/2018 11/30/2018 BUDGET	Variances	11/1/2018 11/30/2018 ACTUAL	11/1/2018 11/30/2018 BUDGET	Variances	2018 ANNUAL BUDGET
Total	\$2	\$0	\$2	(\$58,788)	(\$75)	(\$58,713)	(\$100)
Total PERMANENTLY RESTRICTED FUNDS	\$2	\$0	\$2	(\$58,788)	(\$75)	(\$58,713)	(\$100)
BEGINNING FUND BALANCE	\$15,654,272	\$15,654,272	\$0	\$15,989,414	\$15,989,414	\$0	\$15,989,414
NET SURPLUS/(DEFICIT)	\$372,534	(\$899)	\$373,433	\$37,392	(\$1,171,114)	\$1,208,506	(\$472,344)
ENDING FUND BALANCE	\$16,026,806	\$15,653,373	\$373,433	\$16,026,806	\$14,818,300	\$1,208,506	\$15,517,070



## Presbyterian Villages of Michigan Foundation

## Statement of Cash Flows

As Of 11/30/2018

		<u>Actual</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET SURPLUS/(DEFICIT) FOR PERIOD		\$37,392
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH		
PROVIDED (USED) BY OPERATING ACTIVITIES		
1162-000-01	Decrease in CURRENT PORTION OF SPLIT INTERES	\$0
1165-000-01	Decrease in CHARITABLE GIFT ANNUITY	\$0
1171-000-01	Decrease in REMAINDER TRUST - PCF	\$0
1172-000-01	Decrease in BENEFICIAL INTEREST - CFSM	\$0
1173-000-01	Decrease in BENEFICIAL INTEREST - PCF	\$0
1174-000-01	Increase in SPLIT-INTEREST AGREEMENTS - PVM	(\$944)
1175-000-01	Decrease in SPLIT-INTEREST AGREEMENTS - CFS	\$0
1176-000-01	Decrease in BENEFICIAL INTEREST - GASCHO TRU	\$0
1177-000-01	Decrease in CFSEM - GREEN HOUSE END	\$0
1178-000-01	Decrease in CFSEM - CHAPLAINCY FUND FOR PV	\$0
1179-000-01	Decrease in CFSEM - FAMILY CHAPLAINCY FUND	\$0
1180-000-01	Decrease in MISCELLANEOUS DONATED ASSETS	\$0
1216-000-01	Decrease in ACCOUNTS RECEIVABLE	\$0
1224-000-01	Decrease in A/R OTHER	\$583
1299-000-01	Decrease in RESERVE FOR DOUBTFUL ACCOUNT	\$0
1300-000-01	Decrease in PLEDGES RECEIVABLE	\$1,275,786
1301-000-01	Increase in ALLOWANCE FOR DOUBTFUL PLEDGE	(\$15,662)
1302-000-01	Increase in PLEDGES RECEIVABLE-LONG TERM	(\$27,760)
1303-000-01	Decrease in DISCOUNT ON PLEDGES RECEIVABL	\$4,163
1330-000-01	Increase in ACCRUED INTEREST RECEIVABLE	(\$4,933)
1340-000-01	Decrease in PREPAID INTEREST	\$0
1341-000-01	Decrease in PREPAID INSURANCE	\$0
1342-000-01	Decrease in PREPAID OTHER	\$0
2101-000-01	Increase in ACCOUNTS PAYABLE	\$17,059
2102-000-01	Increase in DUE TO/DUE FROM PVM	\$309
2103-000-01	Decrease in ACCOUNTS PAYABLE OTHER	(\$28,400)
2104-000-01	Increase in GRANTS PAYABLE	\$33,473
2125-000-01	Decrease in DUE TO/DUE FROM UNRESTRICTED F	(\$711,028)
2126-000-02	Increase in DUE TO/DUE FROM TEMPORARILY RES	\$637,240
2127-000-03	Increase in DUE TO/DUE FROM PERMANENTLY RE	\$58,788
2128-000-04	Increase in DUE TO/DUE FROM BOARD DESIGNATE	\$15,000
2163-000-01	Decrease in CURRENT PORTION OF SPLIT INTERES	(\$585)
2165-000-01	Decrease in ANNUITY PAYABLE	\$0
2166-000-01	Decrease in PVMF ANNUITY PAYABLE	\$0
2170-000-01	Decrease in DISCOUNT FOR FUTURE INTEREST	\$0
2221-000-01	Increase in ACCRUED PAYROLL	\$16,674
2222-000-01	Decrease in ACCRUED PAYROLL WITHHOLDINGS	(\$804)
2223-000-01	Increase in FICA EMPLOYER PORTION	\$395
3990-000-01	Decrease in NET ASSETS	\$0
3990-000-02	Decrease in NET ASSETS	\$0
3990-000-03	Decrease in NET ASSETS	\$0

## Presbyterian Villages of Michigan Foundation

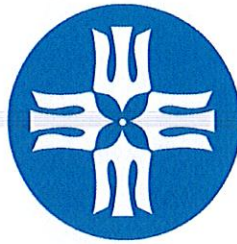
## Statement of Cash Flows

As Of 11/30/2018

		<u>Actual</u>
3990-000-04	Decrease in NET ASSETS	\$0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		<u>\$1,306,746</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
1213-000-01	A/R PERRY FARM LAND CONTRACTS	\$0
1214-000-01	A/R OBLIGATED GROUP	\$0
1219-000-01	A/R PVM LINES OF CREDIT	\$0
1725-000-01	COMPUTER SOFTWARE	\$0
1735-000-01	A/D COMPUTER SOFTWARE	\$0
1940-000-01	CAPITAL PURCHASES - CURRENT YEAR	\$0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		<u>\$0</u>
NET INCREASE/(DECREASE) IN CASH		\$1,306,746
CASH AND CASH EQUIVALENTS AS OF 1/1/2018		<u>\$12,969,765</u>
CASH AND CASH EQUIVALENTS AS OF 11/30/2018		<u>\$14,276,511</u>

# **Presbyterian Villages of Michigan Foundation**

## **Policies and Procedures Manual**



**Presbyterian  
Villages**

O F M I C H I G A N

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**THE FOUNDATION**

**January 2019 Revision**



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## **FOUNDATION POLICY SUMMARY**

### **I. Introduction**

Presbyterian Villages of Michigan (PVM) is committed to an ongoing program of securing philanthropic support through the establishment and operation of the Presbyterian Villages of Michigan Foundation (PVMF). PVMF serves as the repository for unrestricted, temporarily restricted and permanently restricted gifts for the various PVM senior living communities. It is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code and gifts are deductible by the donor as gifts to a public charity.

PVMF is charged with overseeing all fundraising activities throughout the PVM system. Fundraising goals for PVMF will be established on an annual basis and will be presented for approval as part of the annual budget process to PVMF and PVM Board of Directors.

The PVMF office must be notified of all resident, staff and community fundraising projects and donor prospects to enable coordination of overall fundraising activities for the best possible results.

### **II. Philosophy of Fundraising**

In all matters involving donors or prospective donors, the interests of the donor shall come before that of PVMF. No program, agreement, trust, contract or commitment shall be urged upon any donor or prospective donor that would benefit this organization at the expense of the donor's interests. No agreement shall be made between PVMF and any agency, person, company or organization on any matter concerning investments, management or otherwise which would knowingly jeopardize the donor's interests.

The responsibility of all PVMF personnel shall be to inform, serve, guide or otherwise assist the donor in fulfilling his/her philanthropic wishes. All personnel employed by PVM or PVMF to administer or promote any type of gift shall be paid a salary or hourly wage, but shall not receive commission, which might give such personnel an improper personal interest in any agreement. Acceptance of personal gifts, bequests, or gratuities from donors by any member of the PVM or PVMF staff is strictly prohibited. The PVM Foundation and its entire staff shall be required to abide by the Association of Fundraising Professional's Donor Bill of Rights, which is included in Addendum C of this Policy Manual.



### III. Fund Classifications

The Board of Directors of PVMF has established the following Fund Classifications and their specific source and use of funds. Gifts will be placed in the appropriate Fund as designated by the Donor, or if no designation is given, it will be placed in the Unrestricted Fund (PVM Fund)

#### A. Unrestricted Fund (PVM Fund)

Financial support to enhance facilities, care, services and programs, along with maintaining philosophical / mission commitments to residents or other specific uses determined by the PVMF Board.

#### B. Temporarily Restricted (TR) Funds

Contributions designated for one of the Villages can be given for miscellaneous/general use of a Village or the entire PVM system. Examples include bus/van, library, garden, health center, assisted living, activities, spiritual care, new building programs, etc. A minimum of \$5,000, a designated Fund timeline, and a signed Restricted Fund Profile (sample shown in Attachment A) must be on file at the PVMF office to establish a Temporarily Restricted Fund.

#### FUND NAMES

- ❖ **Individual Villages Funds:** Funds designated for use at each of the individual PVM Villages, and specific projects within those Villages.
- ❖ **Special Donor-Designated Funds:**
  - Benevolence Fund (TR)
  - Community Connections (General & Midtown Chapter)
  - Damone Fall Prevention Fund
  - East Harbor Chaplaincy Fund
  - East Harbor Health & Wellness Center Fund
  - The Village of Hillside/Friendship Center Renewal Campaign
  - Resident Assistance Fund
  - Rivertown Neighborhood
  - Schroeder Leadership Fund
  - Wellness Fund

#### C. Endowment Funds

Multiple Endowment Funds have been established with the objective of preservation of principal and are invested to generate growth. The PVMF Board suggests a \$100,000 minimum amount to establish a named Endowment Fund. The donor or the PVMF Board of Directors determines the specific use of the annual investment earnings, as determined by the PVMF Spending Policy. PVMF has both Permanently Restricted Endowment Funds (PR) and Board Designated Endowment Funds (BD). Board Designated Endowment Funds are classified as Unrestricted for accounting purposes, but function in the same way as a Permanently Restricted Endowment Fund. Only the PVMF Board of Directors can change the purpose of the use of a Board Designated Endowment Fund.

**Fund Names (with specific use indicated):**

- ❖ **Benevolence Endowment (Two Funds-PR &BD):** General resident care, services and program use at all PVM facilities for residents who have outlived their resources.
- ❖ **Green House Endowment Fund (PR):** Provides funding for Green Houses® located at PVM.
- ❖ **Innovation Endowment Fund (Two Funds-PR&BD):** Provides support for technology, transportation, leadership development and any other projects and programs approved by the PVM Foundation Board.
- ❖ **Kirk Endowment (PR):** Financial assistance to persons whose income from all sources does not meet their minimum needs.
- ❖ **Kleemann Help Endowment Fund (PR):** Employee/resident assistance at The Village of East Harbor.
- ❖ **Martens Endowment (PR):** Use limited to care of sight-impaired female residents.
- ❖ **Wellness Endowment (Two Funds PR & BD):** Provides support for wellness-related equipment, programs and any other projects and programs intended to enhance the well-being of seniors.
- ❖ **Westerman Endowment (PR):** Use limited to activities and related programs at PVM North (dba The Village of Oakland Woods).

*NOTE: Four PVMF Endowment Funds are held at the Community Foundation for Southeast Michigan and one is held at the Presbyterian Foundation in Jeffersonville, Indiana. These funds are outlined on page 5 (Part XIII) of this policy manual.*

#### **IV. Foundation Management Fee**

The Board of Directors of PVMF has implemented a 10 percent management fee to be applied to temporarily restricted gifts, excluding pledges, effective January 1, 2017.

#### **V. Constituencies**

PVMF will solicit the following groups, as appropriate, to secure philanthropic support:

- Individuals
- Residents and families of PVM and affiliated facilities
- Current and former Board members (from PVM Corporate, PVMF and all Villages)
- Employees of PVM and PVMF
- Volunteers
- Churches and their members
- Foundations
- Civic organizations
- Corporations and other businesses
- Government sources
- Suppliers and vendors



## **VI. Confidentiality**

All information concerning donors or prospective donors, including their names, the names of their beneficiaries, the amount of gifts, size of estates, etc., shall be held in strict confidence by PVMF, its staff and authorized personnel and shall be used only for approved functions, recognition and activities in support of the mission of PVM.

## **IV. Use of Legal Counsel**

PVMF shall seek the advice of legal counsel in all matters that pertain to its life income agreement gift program, i.e., real estate, and instruments used.

All prospective donors shall be advised to seek the counsel of their attorney in any and all aspects of their proposed gifts, whether by bequest, trust agreement, contract or other. They shall be advised to consult with their attorney on matters related to the tax consequences of a gift and in matters related to estate planning.

## **VII. Presbytery Relationship**

Presbyterian Villages of Michigan entered into a Covenant with the Presbytery of Detroit (1994, re-signed 2005), the Presbytery of Lake Huron (1995), the Presbytery of Mackinac (1998) and the Presbytery of Lake Michigan (2010). The Covenant with the Presbytery of Detroit supports the efforts of PVMF to secure funds from concerned Presbyterians, individual churches as well as endorsing PVM as a continuing Extra Commitment Opportunity (ECO).

## **VIII. Vendor Solicitation**

Solicitation of vendors (businesses or individuals) will be made in accordance with ethical business and fundraising practices. Appeals to vendors and businesses will be made in the spirit of philanthropy with no overt or implied promise of future business or threat of withdrawal of business. Purchasing and fundraising functions within PVM and PVMF will remain completely separate. In lieu of giving gifts (items) to individuals at PVM, corporations are encouraged to make donations to established gift programs.

## **IX. Community Foundation for Southeast Michigan & Presbyterian Foundation**

PVMF entered into a relationship in 1996 with the Community Foundation for Southeast Michigan (CFSEM). This relationship does not represent any contractual agreement that is enforceable by law, but it does allow the PVMF to use CFSEM as a service provider.

There are four PVM Endowment Funds at CFSEM: the Presbyterian Villages of Michigan Endowment Fund, created in 1996; the Green House® Endowment Fund, created in 2005; the Lonyo Family Chaplaincy Endowment Fund (for The Village of East Harbor); and the Chaplaincy Fund for Presbyterian Villages of Michigan, both established in 2007. The Green House® Endowment Fund was created as part of the Increasing Regional Philanthropy Program to support current and future Green House® projects.



PVMF has also entered into a relationship to use the services of the Presbyterian Foundation located in Jeffersonville, Indiana. This relationship does not represent any contractual agreement that is enforceable by law, but it does allow the PVMF to use the Presbyterian Foundation as a service provider.

Funds placed in these Endowment Funds are permanent with the principal to remain intact and grow over time. Donors can make additional contributions to these Endowment Funds at any time. A percentage of the Endowment Funds' asset value will be paid annually to the PVMF. Any remaining appreciation after fees will be retained in the funds for growth.

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## **X. AMENDMENTS**

The PVMF Board may amend the PVMF Policies and Procedures periodically.

June 1, 2012

## **RESTRICTED FUND PROFILE**

### **Marie Claire Damone Fall Prevention Fund**

**Restriction Description** – Donations to the Marie Claire Damone Fall Prevention Fund are designated to support equipment and programming related to fall prevention initiatives provided for PVM residents and community seniors participating in PVM wellness programs.

**Fundraising Responsibility** – Several gifts were made to establish this fund in memory of Marie Claire Damone. The primary responsibility for additional fundraising belongs to the PVM Foundation Board and the PVM Foundation staff, with the assistance of the Wellness Director. The PVMF will list this fund along with other funds managed by the Foundation in future publications.

**Investment of Funds** – The PVMF will manage unspent funds until such time as they are awarded.

**Disbursement of Funds** – Funds will be disbursed based upon recommendations of the Grant Allocations Committee, the President of the Foundation and/or the PVM Foundation Board of Directors.

**Dissolution of Fund** – In the event that, for any reason, the restrictions defined above can no longer be met, the funds will be designated for other PVM wellness initiatives. If the wellness designation can no longer be met, the funds will be designated for PVMF.

Approved:

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Roger L. Myers, President and CEO  
Presbyterian Villages of Michigan

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Paul J. Miller, President  
Presbyterian Villages of Michigan Foundation

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Tom Wyllie, Director of Wellness  
Presbyterian Villages of Michigan

## **INVESTMENT POLICY**

**EFFECTIVE DATE:** FEBRUARY 2007  
AMENDED NOVEMBER 17  
AMENDED SEPTEMBER 30, 2014  
AMENDED APRIL 14, 2015  
AMENDED JUNE 14, 2016

**SUBJECT:** INVESTMENT GUIDELINES

**OBJECTIVE:** LONG TERM FOCUS ON GROWTH IN PRINCIPAL WITH  
SPECIFIC 5% ANNUAL LIQUIDITY NEEDS

**SCOPE:** All Accounts and Investment Managers

**GUIDELINES:** The Investment Instrument Characteristics and Maturities  
Requirements

### **A. General**

Investments are limited to the following:

- Debt securities issued by U.S. Government
- Debt securities guaranteed by U.S. Government
- Debt securities issued by U.S. Corporations
- Debt securities issued by governmental entities within the U.S.
- Debt securities issued by a foreign subsidiary of a U.S. Parent Corporation which are guaranteed by a U.S. Parent Corporation
- Deposits, including Certificates of Deposits in a U.S. Bank or its Foreign subsidiaries
- Eurodollar Bonds
- International Government AAA debt
- Equity securities listed on a U.S. stock exchange or OTC

### **B. Derivatives.**

To control the level of risk inherent in derivative securities by specifying quality, duration and concentration for all Fixed Income accounts and all Investment Managers.

Investments in derivative securities are permitted for the purposes of yield enhancement, duration management, and sector diversification. These standard types of securities would include: asset backed securities, collateralized mortgage obligations (such as PACs and TACs), strip treasury and agency bonds and other like securities in which total investment performance (i.e. income return and principal value change) is not dependent upon the single direction of market interest rates.

Such investments must meet the following requirements:

1. AA or better.
2. The expected average duration must comply with the portfolios' duration requirements as specified in the investment guidelines.



3. Investments in derivative securities are not permitted for the sole purpose of speculating on the direction of market interest rates. Included in this prohibition are leveraging, shorting, swaps, futures, options, forwards and like strategies. These speculative types of securities would include: I.O.'s, P.O.'s, and inverse floaters and other like securities where total investment performance (i.e. income return and principal value change) is solely dependent upon the single direction of market interest rates.

#### C. Bonds

1. Minimum Bond Grade = BBB-
2. Minimum Weighted Average of Bond Portfolio = AA  
In the event that a fixed income security falls below investment grade, the investment manager will be responsible for immediately notifying the investment committee and detailing a course of action to be taken with regard to each downgraded security.
3. No single issuer to represent more than 2.5% of total market value of bonds at any time, with the exception of U.S. Treasury and Agency obligations or those obligations guaranteed by the U.S. Government and AAA Int'l Government bonds within that specific mandate.
4. Duration Requirements: The duration of the Bond Portfolios should approximate the duration of the Barclay Intermediate Government/Credit Bond Index, but at no time should the duration be greater than 115% of the Index or less than 85% of the Index.

Ratings refer to those U.S. recognized securities rating organizations.

#### D. Equities

Investment in any specific equity or convertible issue is limited to 6% of the total equity or convertible portfolio investment at market.

- E. **Cash Equivalents** – See Cash Management Investment Guidelines, Section O.  
– Minimum Cash Equivalent Grade = A2, P2

F. Asset Allocation	Target
Domestic Equities	40%
Domestic Mid Cap Equities	5%
Convertibles	10%
International Equities	10%
Domestic Fixed Income/Intermediate	35%

The procedure to follow for allocating portfolio assets within guidelines is:

1. The portfolio's actual asset allocation versus the guidelines will be monitored and a determination to rebalance the asset mix will occur annually:
  - a) Except for temporary investments, if an asset class exceeds its target by 10% or more of its asset class value, the assets will be rebalanced back to its target.

- b) If the asset allocation remains within the 10% minimum and maximum ranges stated above, no action is required.
- c) The asset mix may violate the guidelines during a six month period; however, rebalancing should occur based on end of period market value.

**G. Investment Performance Objective**

The investment performance objective is to exceed a blended return of the following indices net of fees based on the weighting of the asset allocation set for in F. above:

- S&P 500 Index
- Merrill Lynch All Convertibles Index
- S&P 400 Index
- EAFE Index
- Barclay Intermediate Government/Credit Bond Index

**H. Currency – U.S. Dollars Only.**

**I. Securities lending – prohibited.**

**J. Pooled funds – may be utilized if they comply as a portfolio with these stated guidelines.**

**K. Fixed Income investments – restricted to those, which, at the time pay interest, if any, without the deduction of withholding tax.**

**L. Approvals – Investments outside the terms and restrictions above must first be approved by the PVM Foundation President and Treasurer and confirmed in writing.**

**M. Realized Losses – A threshold of \$50,000 per month is the maximum allowable realized loss per investment manager. Any realized losses greater than \$50,000 per month must be approved by PVM Treasurer and confirmed in writing.**

**N. Investment Manager Review and Evaluation**

To establish guidelines for review, evaluation and termination of the investment managers.

Investment performance and policy compliance will be reviewed monthly. Formal reports to the PVM Foundation will be prepared monthly.

In the event an investment manager fails to meet an established guideline, the following steps shall be taken:

1. Policy Compliance

- a. Manager is contacted and required to correct the situation or justify the variation in writing.



- b. After a second consecutive month below the guideline, the investment manager will receive written notification with immediate action expected or justification in writing.
- c. Further failure to comply, or inadequate justification for variation, will lead to a review by the Company for possible termination of the investment manager.

2. Investment Performance

The investment manager may be terminated if their historical annualized return over three years has not met the specific fund objective over the time period.

The three year rule for terminating managers may be waived and termination proceedings may go into effect if any one of the following situations occur:

- a. Failure to comply with the investment guidelines as detailed in the Monthly Review and Evaluation.
- b. The portfolio's return falls below the objective for four consecutive quarters.
- c. After two years, the investment manager is 200 basis points below the objective.
- d. The investment manager substantially increases fees.
- e. Any change at the investment manager's firm that is not acceptable to the PVM Foundation.

**O. Cash Management Investment Guidelines (see Attachment B)**

**P. Spending Guidelines (see Attachment C)**

**Q. Framework for Investments (see Attachment D)**



## CASH MANAGEMENT INVESTMENT GUIDELINES

### Investment Policy, Attachment O

EFFECTIVE DATE: April 14, 2015

OBJECTIVE: To establish Cash Management Investment Guidelines within the framework of six major criteria:

1. Maintenance of principal - Safety
2. Anticipated cash flow - Liquidity
3. The need for current return
4. The level of acceptable risk
5. Low cost of service
6. Essentially compliant local providers

SCOPE: All daily operating funds classified as Cash or Cash Equivalents.

#### GUIDELINES:

- A. Repurchase Agreements: Repurchase Agreements (REPOs) are agreements to sell short-term notes to an investor with the understanding the investor will return (the issuer repurchases) the notes at a specific date. Only fully collateralized REPOs are permitted. The minimum quality criteria are as follows:
  1. Acceptable collateral is US Treasuries at 120% of market value.
  2. The senior credit of the dealer or Bank must be "A" or higher.
- B. Commercial Paper: Commercial Paper is a short-term security issued by corporations with maturities less than 270 days. The minimum requirements are:
  1. Issuer must be a domestic corporation.
  2. Minimum quality grade is A1/P1 or equivalent.
- C. Treasury Bills: Treasury Bills are short-term securities issued with maturities of three months, six months, and one year. Treasury Bills are issued with the full backing of the U.S. Treasury.
- D. Certificates of Deposit: Certificates of Deposit (CDs) are negotiable certificates issued by financial institutions against funds deposited for a specific period of time earning interest at a certain rate. The CD minimum requirements are:
  1. Issuing institution is chartered in the United States.
  2. Issuing institution has an investment grade credit rating of AA or better.
- E. Treasury and Agency: Treasury and Agency securities with maturities less than one year or an original issue maturity date of less than one year.

**Attachment B**  
**Cash Management Investment Guidelines, Page 2 of 2**

- F. Money Market Funds: Money Market Funds may be utilized if every security in the portfolio complies with the quality intent of the stated guidelines and excludes currency risk, derivatives, and any leveraging transactions.
- G. Diversification: Investments shall be made to avoid concentration in any one security or fund, other than Treasuries and Agencies, and to diversify funds by security and due date.
- H. Duration: Duration shall not exceed one year on any security.
- I. Currency: U.S. dollars only.
- J. Sovereign Risk: Non United States sovereign risk is not allowable.
- K. Exceptions: Investments outside the terms and restrictions of these guidelines must first be approved by the Investment Committee and confirmed in writing.



## **Endowment Spending Policy**

### **Investment Policy, Attachment P**

EFFECTIVE DATE: March 2011

#### **UPMIFA**

The State of Michigan adopted UPMIFA (Uniform Prudent Management of Institutional Funds Act) effective September 10, 2009.

UPMIFA Standards of Prudence to consider for Endowment Spending:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

UPMIFA adds a new provision that allows a charity to modify a restriction on a small (less than \$25,000) and old (over 20 years old) fund without going to court. If a restriction has become impracticable or wasteful, the charity may notify the state charitable regulator, wait 60 days, and then, unless the regulator objects, modify the restriction in a manner consistent with the charitable purposes expressed in any documents that were part of the original gift.\*

#### **Donor Restricted and Board Designated Endowments- Spending Policies**

Under UPMIFA, the Presbyterian Villages of Michigan (PVM) Foundation Board has the authority to spend into the corpus of both (1) endowments established and restricted by the terms of the donors gift ("Donor Restricted Endowments") and (2) endowments created by the PVM Foundation Board not otherwise subject to donor restrictions ("Board Designated Endowment") during periods of low investment return in accordance with the Standards of Prudence set forth above. Notwithstanding, it is the general policy of the PVM Foundation to preserve the corpus of Donor Restricted and Board Designated Endowments.

As a matter of general policy, the maximum annual cash payout from both Donor Restricted and Board Designated Endowments shall not exceed the 5% of the average of the market value of invested assets, using a three-year rolling average as of June 30<sup>th</sup> of each of the three most recent years. This amount will be available for distribution each year for the purposes of the endowment.



**Attachment C**  
**Endowment Spending Policy, Page 2 of 2**

*\* At this time, the PVM Foundation holds no endowment funds that meet these criteria*

Assets include all invested securities, cash, and interest bearing instruments. Invested assets do not include the pooled income fund.

The PVM Finance Department will report each endowment fund's interest, dividend, and realized gains total for the previous fiscal year at the end of the first quarter of the current fiscal year.

Notwithstanding the foregoing, subject to the Standards of Prudence set forth above, a super majority of two thirds (2/3) of the PVM Foundation Board may authorize exceeding the 5% spending limit in any year.

All unspent endowment earnings including investment income and realized gains shall be reinvested on an annual basis in order to build and perpetuate the endowment funds.

### **Classification of Endowment Earnings**

Donor Restricted Endowments (Permanently restricted gifts to endowment): Investment income including realized and unrealized gains and losses are classified as temporarily restricted income. Upon sufficient documentation of meeting donor intent, the aforementioned earnings are released from temporarily restricted to unrestricted, and subsequently classified as unrestricted at the end of each quarter for financial statement purposes only. These funds may not be spent at the time of reclassification except as permitted by the endowment spending policy described above and the restricted intended purpose of the endowment.

Board Designated Endowments (unrestricted funds by definition): Investment income including realized and unrealized gains and losses are classified as Board Designated unrestricted income. These funds may not be spent except as permitted by the endowment spending policy described above and the Board Designated intended purpose of the endowment.

### **Temporarily Restricted Classification**

PVM Foundation maintains that all Village funds including Redford, East Harbor and Westland are treated as temporarily restricted funds only to be used at the designated Village for which the donor intended their gift. These funds are released from restriction (i.e. reclassified as unrestricted net assets) at the time the donations are used for the intended purpose.



## **FRAMEWORK FOR INVESTMENTS**

### **OCTOBER 2008**

PVM utilizes a Total-Return approach to investing. Mean-variance optimization is used to determine the asset allocation that is expected to provide, for each portfolio, the highest risk-adjusted returns. The Total-Return approach is an attempt to grow assets at a faster rate than the known liabilities and/or needs of each PVM account. The following attributes are employed to ensure the long-term financial success of each PVM account:

- Investment Policy Statements for each portfolio - Each account established covers a liability and/or need. Each must be defined to set each investment strategy. Endowment Funds have annual expected payout percentages.
- Fiduciary Oversight - Governance is provided with quarterly detailed investment performance and policy compliance reviews with annual checklists. Management performs annual tasks to reaffirm each PVM portfolio investment strategy.
- Independent Oversight - Each investment manager retained by PVM is reviewed monthly by an outside consultant to provide an independent risk/return report with various portfolio attributes and policy compliance.
- Transparency for accountability and evaluation of risk/return - PVM utilizes separately managed accounts by asset class in lieu of funds. Transparency leads to accountability and an independent detailed attribution of performance and risk analysis not obtainable through funds or closed vehicles. Each stock and bond can be viewed and evaluated.
- An active vs. passive application in the management of investments - Historical data suggests that separately managed accounts, meeting certain criteria, outperform mutual funds and index funds. PVM Investment Policy provisions cannot be applied to mutual and index funds.
- Diversification of asset classes with low correlation - Consistent with modern portfolio theory, risk cannot be eliminated but can be managed. The advantages of a well-diversified portfolio by asset class and manager, are well documented and have been achieved by PVM.
- High-quality investment grade portfolios – High-quality investment criteria by asset class leads to predictability, especially in high volatile markets, usually seen in economic downturns or in unforeseen economic or geopolitical events.
- A defined Investment Process - Each step in the process is documented, measurable and transparent.
- Adherence to investment standards and industry best practices – Management, with the assistance of an independent consultant, strives to meet the standards, GIPS (Global Investment Performance Standards), set forth by the industry.

This framework is not permanently binding. It is a flexible tool to frame and evaluate the investment policies and the risk/return expectations of PVM.

**Attachment E**  
**PVM Investment Manager Contacts**

**PVM Investment Manager Contacts**  
**As of May 14, 2015**

**Large Cap Equity**

**William Blair & Company**

John Jostrand  
[jjstrand@williamblair.com](mailto:jjstrand@williamblair.com)  
312.364.8986  
222 West Adams St.  
Chicago, IL 60606

**Eagle Capital Management**

M. John Johnson  
[mjohnson@eaglecap.com](mailto:mjohnson@eaglecap.com)  
212.293.4022  
499 Park Avenue  
New York, NY 10022

**Convertibles**

**Delaware Investments**

Gregg Erdman  
[Gregg.Erdman@delinvest.com](mailto:Gregg.Erdman@delinvest.com)  
215.255.8644  
2005 Market Street  
Philadelphia, PA 19103

**Domestic Fixed Income**

**Wedge Capital Management**

Caldwell Calame, CFA  
[ccalame@wedgecapital.com](mailto:ccalame@wedgecapital.com)  
704.334.6475  
(f) 704.334-3542  
301 S. College Street  
Suite 2920  
Charlotte, NC 28202

**International Equity**

**William Blair & Company**

Cliff Kalish  
[ckalish@williamblair.com](mailto:ckalish@williamblair.com)  
312.364.8239  
(f) 312.277.2583  
222 West Adams Street  
Chicago, IL 60606

**Custody**

**Huntington National Bank**

Brian Wolfe  
[Brian.Wolfe@huntington.com](mailto:Brian.Wolfe@huntington.com)  
248.554.6615  
220 Park Street  
MI9199  
Birmingham, MI 48009





## **GIFTS, CONTRIBUTIONS AND DONATIONS POLICY**

PVMF is duly appreciative of public interest in and good will towards the PVM Mission. A centralized system will be provided through PVMF to recognize and monitor contributions, gifts and donations with regard to donor intent.

All fundraising activities, including special events, will be approved by the PVMF President. Fundraising activity requests will be submitted in writing to PVMF for approval. PVMF will advise all Village fundraising. In addition to gift processing and acknowledgement, PVMF will be accountable for all fund development and fundraising activities, including but not limited to annual appeals, planned giving, foundation and corporate grant proposals, prospect management, employee campaigns and special events. This policy includes Board members, management, residents and volunteers.

Gifts may be designated for a particular Presbyterian Village or for a designated program, purpose or project. Gifts may be currently expendable at the discretion of the PVMF Board of Directors for all Villages or at the discretion of the individual Village Administrator. Gifts may also be used to establish permanent endowments for any particular Village or purpose.

## **GIFTS, CONTRIBUTIONS AND DONATIONS PROCEDURES**

PVMF is appreciative of public interest in and good will toward the Villages, manifested through gifts, contributions and donations. The purpose of this procedure is to provide guidelines for recipients of all gifts, contributions and donations.

### **I. General Guidelines Regarding Gifts**

All gifts, contributions and donations (checks, cash, real property, equipment, etc.) and related original documentation notes (i.e., original checks or any paperwork related to the gift) are to be directed to PVMF for processing.

PVMF will maintain a record of all in-kind contributions donated by another business or organization for the amount of time defined by the PVMF Document Retention Schedule. See Addendum B for Gift In-Kind Form. Notification must be submitted via memo by the receiving party with fair market value cost identified.

In general, amounts for naming gifts will be based on a gift of 40-100% of the cost of construction and/or equipment if the donor wishes the project to bear their name exclusively. Donors who will allow "additional opportunities" for other donors must give at least 50% of the cost of construction and/or equipment.

### **II. Donor Acknowledgement, Reporting and Record-Keeping**

PVMF will be responsible for the following:

- A. An acknowledgement (receipt) will be drafted for the appropriate signature (e.g., Board Member or President) and sent to the donor for gifts \$10.00 and above.
- B. The checks/cash will be deposited via PVMF into the appropriate account in accordance with the donor's wishes. The recipient Village Administrator will be notified of the donors to their Village (without the gift amounts) through a Monthly Giving Report distributed via e-mail by a PVMF staff member.
- C. PVMF will maintain records of the donor's gift and history with PVM, ensuring that the donor intentions for the gift were met. This record includes a written designation of the Campaign, Fund and Appeal for the gift and confirmation of the donor intention through a copy of the acknowledgement letter. Gift records will be maintained per the PVMF Document Retention Schedule.
- D. Gifts may be appropriately recognized by one or more of the following methods:
  - Plaques/Donor Wall
  - Correspondence
  - Listing in Annual Report and PVM Newsletter
  - Other recognition opportunities as agreed upon by the donor and PVMF.



- E. The Village requesting use of the contributed funds will complete the appropriate forms with appropriate administrative approval and submit the order to the PVMF for processing. See Foundation Reimbursement Process on page 39.

### III. Gift Types

Gifts may include the following types:

A. Gifts of cash or check

Gifts of cash or check will be credited at face value. Checks should be made payable to Presbyterian Villages of Michigan Foundation.

B. Gifts of publicly traded securities

1. Gifts of securities listed on a stock exchange or securities traded over the counter will be accepted.
2. Gift securities will be sold immediately.
3. Such gifts will be valued at the average of high and low market value on the date the donor makes the gift, in accordance with IRS regulations. See Stock Transfer Procedure on page 51.

C. Gifts of closely held securities

1. Securities not traded on an exchange or over-the-counter may be accepted only if the valuation can be substantiated through comparable sales price or by a qualified appraisal. These securities will be accepted only if there are not restrictions to sale.
2. It will be the responsibility of the donor to conduct and pay for appraisals of such securities and provide written documentation to the institution.
3. No prior written agreements on the disposal of such gifts will be made, in accordance with IRS regulation on such gifts.

D. Gifts of real property

Gifts of real property, which must be approved in advance by the PVM President or PVMF President, will be valued at the fair market value of such gifts as determined by a qualified appraiser. Gifts should be readily marketable and with no restrictions to sale.



1. It shall be the responsibility of the donor to provide a formal appraisal on all gifts of real estate in accordance with IRS regulations governing such gifts.
2. All proposed gifts of real property will be reviewed by the institution's legal counsel before such gifts are accepted and finalized.
3. Gifts of real property with a retained life interest may be accepted, in which case the donor will be expected to bear the expenses of maintenance and real estate taxes during his or her lifetime.
4. Gifts of commercial properties and businesses will be evaluated on the basis of property tax and mortgage liability. It will be the responsibility of the donor to provide a Level 1 Environmental Assessment report from a qualified engineering firm.
5. The PVMF Board, prior to accepting such a gift, must review gifts of real estate, which have a mortgage outstanding, or liens on the property.

E. Gifts of tangible personal property

1. Gifts of tangible personal property of \$5,000 or more require an independent appraisal of fair market value.
2. Restrictions imposed by the donor regarding the sale, maintenance, administration or display of such items are subject to review by the PVMF President and Board of Directors. Such gifts will be accepted only if additional expenses engendered by such restrictions are underwritten by the donor or are considered reasonable expenses by PVMF. Generally, gifts such as these will be accepted only if they have a use related to the PVM mission, asset value, or are readily convertible to cash equivalents.

F. Gifts of Insurance

An actual gift must take place in which the institution becomes the owner and beneficiary of a new or existing policy.

G. Life income plans

Only irrevocable life income gifts will be accepted:

1. Charitable remainder unitrusts
2. Charitable remainder annuity trusts
3. Charitable gift annuities

- a. The PVMF's agents (Community Foundation of Southeast Michigan, Comerica Charitable Services, Presbyterian Foundation or PVMF) will pay annuity rates as currently suggested by the American Council on Gift Annuities.
- b. There will be no more than two beneficiaries for a charitable gift annuity.
- c. The minimum gift accepted to establish a charitable gift annuity is \$2,500 with PVMF. The minimum gift amount will be \$10,000 for the Community Foundation Southeast Michigan, Comerica Charitable Services and the Presbyterian Foundation.
- d. PVMF is responsible for paying annuity rates to the donor. See CGA Procedure on page 41.

#### 4. Deferred gift annuities

- a. There will be no more than two beneficiaries for a deferred gift annuity.
- b. No income beneficiary for a deferred gift annuity shall be younger than 55 years of age.

#### 5. Pooled Income Fund

- a. Administrative fees shall be paid from the income earned on the pooled income fund.
- b. No income beneficiary in the fund shall be younger than 55 years of age.
- c. No more than two income beneficiaries may be named.

#### H. Charitable Lead Trusts

The donor enjoys gift or estate tax deduction but will generally not receive an income tax deduction.

#### I. Bequests

- 1. Proper documentation must be secured and includes formal and specific letters of intent or actual copies of bequest clauses, and will be supported by accompanying statements that stipulate the bequest's estimates amount and purpose.



2. PVMF, upon request, will provide a donor with a standard form for verification and certification of bequests.
3. Irrevocable bequests with proper documentation will be recorded at the value determined by the PVMF President and PVM Finance Department.
4. PVMF will not accept bequests that might prove to be a net loss.

**J. Gifts In-Kind**

1. Gifts of equipment, supplies, professional services, contract services, art, furnishings, etc., will be accepted only if such gifts add materially to accomplishing the mission of PVM.
2. Internal Revenue Service holds the donor responsible for evaluating the gift.

**IV. Documentation of Gifts**

All gift, pledge and bequest commitments require formal, written documentation before being recognized.

Acceptable documentation can include: formal contracts and letters of agreement; instruments of transfer; copies of bequests and bequest clauses along with a standard statement of the estimated amount and purposes of the bequest; copies of insurance policies; or copies of trust instruments and supporting trust data.

**V. Pledge Policy**

Any financial contribution pledged to PVM Foundation must be recorded in writing and filed in the donor's individual record. Acceptable forms of writing include:

- A hand-signed and dated official PVM Foundation pledge card.
- A written correspondence including the date, pledge amount, donor signature and pledge payment timeline.
- An e-mail correspondence with the date, pledge amount and pledge payment timeline from the donor's e-mail account.

Once a pledge is received in an acceptable form of writing by PVM Foundation, the donor is expected to pay the full pledge amount in the timeline outlined in the agreement. Periodic pledge reminders will be sent to the donor.

A pledge will be recorded as revenue in its full amount the year it was made. Payments on the pledge amount in subsequent years will not be recorded as revenue. The PVM Finance Department will perform the necessary calculations to determine the discounted net present value of each pledge. The discounted value will NOT be recorded in the donor's record.



**A. Conditional Pledges**

A conditional pledge is defined as a pledge that is contingent on the occurrence of an uncertain future event. For example, the donor pledges \$1,000.00 toward a project, but only after the organization has raised \$2,000.00 toward that same project. In the case that a conditional pledge is made, the pledge will be recorded as revenue in the year that the pledge condition is met.

**B. Uncollectible Pledges**

1. In the event that a donor is no longer able to fulfill a pledge, the PVMF office must be contacted. PVMF will work with the donor on a case-by-case basis and find a plan that may be more suitable for the donor.
2. For a pledge balance that is confirmed as "uncollectible," the total pledge receivable amount will be lowered by the confirmed "uncollectible" amount at the end of the fiscal year.
3. Pledge balances in the amount of \$5,000.00 or less can be determined uncollectible through the approval of the PVMF President. These uncollectible pledges will be reported to the PVM Finance Department and PVMF Board.
4. Pledge balances greater than \$5,000.00 can only be determined uncollectible through PVMF Board approval.
5. Uncollectible pledge determinations will be filed in the individual donors' file.

**C. Pledge Reserves**

PVMF, in consultation with the PVM Finance Department, will calculate an appropriate reserve for doubtful pledges at the end of each year. If specific pledges are deemed permanently uncollectible, the adjustment will reduce income and the pledges receivable amount.

**D. Discount on Pledges Receivable**

The PVM Finance Department will calculate the net present value of the future pledge receipts based on a schedule of anticipated payments and an appropriate interest rate at the end of each year.

**VI. Gift Designation**

Donors may direct their contributions, outright or deferred, toward any of the PVMF's specified purposes.

In so far as possible, the designated purposes for gifts should be described in as broad and flexible terms as possible. Very narrow restrictions should be avoided, if at all possible.

The language used in creating such a restricted gift or fund should contain provisions, which would allow for the PVMF Board of Directors to apply the gift to some other related purpose, if and when the designated purpose is no longer feasible, practical, necessary or possible of performance. The following standard language may be used to provide this latitude:

*"In the event the Presbyterian Villages of Michigan Foundation Board of Directors, in its sole discretion, determines that the use of (the income from) this fund for the above stated purposes is no longer appropriate, necessary, practical, or possible of performance, or for other good and lawful reason, said purpose should be changed, said Board of Directors may use (the income from) this fund for such other closely related purposes as said Board, in its sole discretion, determines will best promote and support this mission of PVM."*

## **VII. Special Events, Auctions and Raffles**

Regarding special event sponsorships and ticket sales to events, PVMF will report the estimated fair market value of the sponsorship or ticket and the tax-deductible amount in the donor's acknowledgement letter.

PVMF may engage in auctions or raffles throughout the year, either related to or independent from events. All raffles must be conducted in compliance with the State of Michigan and a Raffle License must be procured if the total amount of prizes awarded in one day (even in a door-prize or other "free raffle" situation) are greater than or equal to \$100. All Villages interested in holding a raffle or other gambling game must contact the PVM Foundation so proper licensing can be obtained.

Raffle prize winners with total prizes exceeding \$500 are also required to complete a W-9 Form, which will be processed through the PVM Finance Department at the end of each year. Individual items appraised at \$5,000 or greater that are won as part of a raffle create special federal tax implications that apply to the winner.

Each legal entity (Village, Foundation, PVM Corporate, etc.) that has annual taxable sales (for all goods and for all purposes during the course of the year) totaling \$5,000 or more is required to remit sales taxes to the State of Michigan. Taxable sales include food, beverages and other items that are sold, given, raffled or auctioned at special events. For any item that is purchased for the purpose of being sold, given, raffled or auctioned, if sales taxes are paid at the time of purchase, then there is no other sale tax obligation.

PVMF staff is to work closely with the PVM Finance department to ensure compliance in these areas and refer to specific State of Michigan statutes.



## **GRANT ALLOCATION POLICY**

The primary objective of the Grant Allocation Policy and the Investment Policies of PVMF is to achieve growth while maintaining the purchasing power of its principal. The policies should provide for the continued use of PVMF to promote and enhance the quality and quantity of programs developed under the mission of PVM.

The maximum annual cash payout from PVMF, set at 5% of the average of the market value of assets, using a three-year rolling average as of June 30<sup>th</sup>, will be available for distribution the following year. Cash withdrawals shall first be from dividends and interest; realized gains may be used for the balance.

Grant Allocations will also be made from undesignated Statewide Comprehensive Campaign funds and designated named funds.

Assets include all invested securities, cash and interest bearing instruments. Invested assets do not include the pooled income fund or endowment funds.

A super majority of two thirds (2/3) of the PVMF Board of Directors is required to recommend exceeding the 5% spending limit in any year. The PVM Board of Directors must also have a two thirds (2/3) super majority vote to authorize exceeding the 5% spending limit.

### **Eligible Recipients/ Supported Organizations**

The following entities are eligible for support from the PVMF:

- First priority is given to PVM, PVM-owned Villages and PVM services and programs.
- Secondary consideration is given to allocations requested by PVM for organizations and programs that are officially affiliated with or sponsored by PVM.

This payout will be evaluated on an annual basis by PVMF and reported to the PVMF Board of Directors. If total returns net of management fees from the fund's investments falls below a CPI adjusted rate of return equal to the payout rate using a three-year rolling average value as of June 30<sup>th</sup>, the payout will be reduced or eliminated until the purchasing power of the fund balance is restored, unless otherwise recommended by PVMF and approved by its Board of Directors. Returns in excess of the payout rate will be retained in the PVMF.

Revised and Adopted: November 22, 1999;  
Revised by the PVMF Board May 28<sup>th</sup>, 2003;  
Adopted by the PVM Board May 29<sup>th</sup>, 2003;  
Revised and Adopted by the PVMF Board, January 11, 2011



## **GRANT ALLOCATION PROCEDURES**

As approved at the December 8, 2015 meeting of the PVM Foundation Board of Directors, Grant Allocations to Villages is suspended and will be evaluated by the PVM Foundation Board of Directors on an annual basis.

### **1. Grant Allocation Process**

The annual 5% allocation amount is calculated and reviewed by the PVMF and PVM Boards of Directors each year, based on the financial balances ending June 30<sup>th</sup>.

Grant applications are prepared and submitted to PVMF by eligible organizations according to an annually established schedule. Applications are to be submitted using an established format and must include appropriate documentation. Guidelines For Funding Proposals are included in Attachment F and the Grant Application requesting PVMF support is included in Attachment G.

These procedures will enable the PVMF Grant Allocation Review Committee to evaluate each individual project or request and identify those that best meet the strategic objectives of PVM. It will also give PVMF an opportunity to research possible funding sources and match them with the appropriate project or request to ensure the most positive financial outcome. This procedure will help to avoid duplication of efforts and supply the organization with a centralized system.

The following procedures are to be followed:

- A. Discuss the project and your intent to submit the grant application with your immediate supervisor and Village Board of Directors, if applicable, prior to submission to the PVMF.
- B. Complete the Grant Application outlining the particular project or need and responding to all questions (Attachment G).
- C. Submit the completed form, budget and any attached materials to:  
  
ATTN: Director of Grants Management  
Presbyterian Villages of Michigan Foundation  
26200 Lahser Road, Suite 300  
Southfield, Michigan 48033
- D. The Grant Allocation Review Committee will consider each complete application at one of the committee's quarterly meetings and funding decisions will be made at that time. Any questions regarding applications will be directed to the contact listed on the application. The committee's funding recommendations will ultimately be approved by the PVMF Board of Directors.

- E. Funding decisions are mailed or emailed to all applicants. All applicants that are awarded funding will be required to sign a Grant Agreement (sample shown in Attachment H).
- F. The Grant Agreement is signed by the recipient organization's Board Chair and PVM Manager and must be on file at the PVMF office for grant monies to become available for use. Once the Grant Agreement is signed and returned to PVMF, the funds are released and expense payments will be paid by PVMF.
- G. After the funding period is complete and grant monies have been spent, a Final Report Form (Attachment I) must be completed and submitted to the PVMF office.
- H. An Interim Report (Attachment J) should be completed if the granting process is approved for more than one year or extended past the initial termination date.
- I. Any remaining funding after the project is complete will be returned to the PVM Foundation for re-investment.

## **2. Grant Allocation Review Committee**

A Grant Allocation Review Committee will consist of PVMF and/or PVM Corporate Board Members, an Obligated Group staff member, a PVM Housing staff member and any other designated members.

The committee reviews applications for support and makes recommendations on allocations to the PVM Foundation Board of Directors.



## **PRESBYTERIAN VILLAGES OF MICHIGAN FOUNDATION GUIDELINES FOR FUNDING PROPOSALS**

The Presbyterian Villages of Michigan Foundation (PVMF) has been established to provide funding for the enhancement of opportunities for residents in all PVM Villages. PVMF seeks charitable contributions from individuals, groups, organizations and corporations to strengthen programs for the benefit of seniors. PVM staff are encouraged to seek funding for programs by completing the **PVM Foundation Grant Application**. Proposals for funding will be reviewed by the Grant Allocation Review Committee four times per year. Late applications will not be accepted. After review, the committee will make recommendations for funding to the PVMF Board of Directors. The Grant Allocation Review Committee takes into account the criteria listed below when considering funding each proposal:

- **RESIDENT REACH/IMPACT** – Indicate the estimated number of residents and community members who will be directly impacted by the opportunity or enhancement that has been made available. Also include a description of the intended impact this project/activity will have on the quality of life for residents and the local community. In this area, the ability to replicate this or a similar program within PVM is also taken into consideration.
- **SEED MONEY FOR INNOVATION** – Meeting the varied needs of the community requires the ongoing exploration and development of new programs, new choices and new models for serving senior adults.
- **OPPORTUNITY TO PARTNER WITH OTHER FUNDING SOURCES OR COMMUNITY PARTNERS** – Will the program be funded in cooperation with other funding sources, including resources from your current operating budget? Does the ability to partner with other organizations for funding exist?
- **ABILITY FOR THE PROGRAM TO SUSTAIN ITSELF ON AN ONGOING BASIS** – Should the program receive initial funding, will the program be able to continue to sustain itself after initial funding from the PVMF? What resources will be available to fill this need?
- **PROGRAM MANAGEMENT** – Is there a reasonable timetable for project completion? Who will be responsible for project oversight and management?
- **STRATEGIC PLAN ALIGNMENT** – Does the project/activity align with the Village and PVM Strategic Plan?



## PVM Foundation Grant Application

Please submit completed application and attachments to the Director of Grants Management at athomas@pvm.org or PVM Foundation, 26200 Lahser Road, Suite 300, Southfield, MI 48033.

Date of Application:

Name of PVM Entity Requesting Support:

Primary Contact Person:

Program/Project Title:

Program/Project Beginning Date:

Ending Date:

AMOUNT REQUESTED FROM PVMF \$ \_\_\_\_\_

Amount from Other Sources: \$ \_\_\_\_\_

Please specify source(s) (Friends & Family, Village undesignated gift fund, etc.)

**Total Cost of Program/Project** \$ \_\_\_\_\_

(Add amount requested and amount from other sources)

Grant funds are requested for distribution in Calendar Year: ☐ 2015 or ☐ 2016

Is this grant a resubmission from a prior year? ☐ Yes ☐ No

(Note: Responding Yes does not alter your chance of approval.)

If YES, Please list the date of the initial application:

I AM REQUESTING FUNDS FROM:

☐ PVM Foundation Grant Allocation Committee \$ \_\_\_\_\_

☐ Schroeder Leadership Fund \$ \_\_\_\_\_

☐ Other \$ \_\_\_\_\_

If other, please explain

If you are requesting Held Funds, please complete the one-page [Request for PVMF-Held Funds form](#) instead of this grant request form.

Respond to *all* of the following questions.

1. Describe the purpose of the equipment, program or project for which you are requesting funding and how it is innovative.
2. Describe the problem or need that will be addressed as a result of the purchase of the equipment or funding of the program/project.
3. a) Who, what, and how many will be the direct beneficiaries of the equipment or program?  
  
b) Have the residents been involved in the development of this proposed program/project? If so, how?
4. How will the residents, PVM, and the local community benefit from the project/program?
5. Please provide a schedule or timetable for program/project implementation, if applicable.
6. How does the program/project align with the PVM Strategic Plan? Please also list the specific goals and objectives of the current Strategic Plan that this project would support. Visit [2015 PVM Strategic Objectives Final 11 13 14 rev 1 29 15.pdf](#) for a list of the Strategic Objectives.
7. a) Has this program/project been implemented at PVM in the past?  
☐ Yes   ☐ No  
  
b) If yes, where, when, and how was it funded?
8. How will you share the information regarding this program/project so that your PVM colleagues can duplicate it and/or learn from it?
9. a) Has your immediate supervisor and your Village Board approved submission of this request? ☐ Yes   ☐ No

b) If yes, please provide the date of approval:

10. How will the project or program be sustained, if applicable?

11. a) If the PVMF is unable to fund this project, will it still be implemented?

b) If yes, please explain how:

**\*\*The following items MUST be included with applications:**

- ☐ Attached is an email or memo from the contact person's manager approving this request and attached bids.
- ☐ Attached is a completed PVM Foundation Grant Application BUDGET FORM
- ☐ Attached are at least two bids for each of the proposed project expenses  
If less than two bids are included with your request, please explain:

**In addition to the above three required attachments, the following is also required based on the type of request.**

**For all SCHROEDER LEADERSHIP FUND requests:**

- ☐ Attached are documents showing curriculum and costs.

**For all TECHNOLOGY requests:**

- ☐ Attached is an email or memo from PVM Technology Dept. approving request and attached bids.

**For all WELLNESS requests:**

- ☐ Attached is an email or memo from the PVM Wellness Dept. approving request and attached bids.

Submit application and attachments to the Director of Grants Management at [athomas@pvm.org](mailto:athomas@pvm.org) or PVM Foundation, 26200 Lahser Road, Suite 300, Southfield, MI 48033.

*Thank you for taking the time to submit a complete application!*



## BUDGET FORM

This Form Must Accompany ALL PVMF Grant Requests  
[Click here for an example of this budget form completed.](#)

If you have any questions regarding your application please contact the Director of Grants Management at [athomas@pvm.org](mailto:athomas@pvm.org) or 248-281-2044.

Total Amount of PVMF Grant Funds Already Received This Year (Excluding current request)  
\$ \_\_\_\_\_

Total Cost of Program/Project \$ \_\_\_\_\_  
Total Amount Requested of PVMF \$ \_\_\_\_\_  
Total Funds from Other Sources \$ \_\_\_\_\_

Item / Expense	Explanation	Cost	Other Sources (list amount and name source)	Balance of Funds Needed	# of Bids Attached
	<b>Total:</b>	\$	\$	\$	

I. Acceptance of Grant

The grant to your Village from the Presbyterian Villages of Michigan Foundation is for the explicit purposes described under Grant and is subject to your acceptance of the terms described therein.

To accept the grant and receive funds, return a signed copy of this "Terms of Grant Agreement" to the Presbyterian Villages of Michigan Foundation. Keep the other copy for your files. Please refer to the grant number in all communication concerning the grant.

Grantee:  
The Village of \_\_\_\_\_

Date Grant Authorized:  
\_\_\_\_\_

Grant/FE Project Number:  
# \_\_\_\_\_

Amount Granted:  
\$ \_\_\_\_\_  
FE Acct No. # \_\_\_\_\_

Grant: \_\_\_\_\_

To support wellness center upgrades as described in the grant application submitted to the PVM Foundation.

Grant Period:

Begins – \_\_\_\_\_

Terminates – \_\_\_\_\_

The conditions and terms set forth hereinafter shall be completed and satisfied by no later than \_\_\_\_\_.

Grant Conditions

Grant payments will be made as funds are expensed. Grant payments will not begin until a signed Terms of Agreement is on file.

Review of Grant Activity

The grantee will furnish the PVM Foundation with a final written report that summarizes the results of the funded project/program by the due date indicated below. Interim reports on the program and project are also encouraged to keep the PVM Foundation Board informed of its status.

Report Due Date – \_\_\_\_\_

**II. Special Provisions**

In accepting this grant, the grantee agrees to the following conditions:

1. To use the funds granted solely for the purpose stated.
2. To repay any portion of the amounts granted if not used in support of the project as described in this agreement.
3. To repay any portion of the amounts granted which is not used for the purpose of the grant.
4. To maintain financial records adequate to verify actions related to this grant.
5. Decisions on future grant requests will be impacted if grant conditions and provisions are not completed in accordance with this agreement.

**III. Publicity**

The Presbyterian Villages of Michigan Foundation encourages you to make appropriate announcements of the receipt of this grant from the PVMF in your newsletters, at your board meetings and at resident council meetings. Media announcements should be coordinated with the Vice President of Public Affairs. Please provide copies of any announcements or articles related to this grant along with photographs as they are produced and distributed. Ongoing communication throughout the course of the grant is helpful to support the ongoing work and mission of the PVM Foundation in securing resources to benefit the residents and the communities served.

\_\_\_\_\_  
Grantee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Date



## Final Report Form

Please complete and submit this form with documentation and/or photos to Avni Thomas at [athomas@pvm.org](mailto:athomas@pvm.org) or PVM Foundation, 26200 Lahser Rd, #300, Southfield, MI 48033. If you have any questions regarding this report, please contact Avni Thomas at [athomas@pvm.org](mailto:athomas@pvm.org) or 248-281-2044.

**Date:** \_\_\_\_\_ **Final Report Due Date:** \_\_\_\_\_ **Grant Number:** \_\_\_\_\_  
*Due date and grant number are both on your grant's Terms of Grant Agreement.*

**Name of PVM Entity Awarded Grant:**

**Primary Grant Contact Person:**

**Name of Program/Project Funded by Grant:**

**Amount of Grant Awarded:** \_\_\_\_\_ **Amount of Grant Funds Received:** \_\_\_\_\_

**Amount of Grant Funds Spent:** \_\_\_\_\_  
**List expenses (both dollar amount and description of expense) paid with grant funds.**

**Were the objectives of the program/project met?** ☐ Yes ☐ No  
**If yes, describe how. If no, describe why not.**

**Were there any unexpected outcomes or other results?** ☐ Yes ☐ No  
**If so, please explain:**

**What is your future plan or use for this program/project?**

**Please share a specific story of how this grant benefited a resident(s). *For Schroeder Leadership grants, please share a specific story of how this benefited your professional growth.***

**Please list the name and number of a resident(s) who would welcome a phone call from a PVM Foundation staff member asking about the grant project and its benefits to the Village and its residents.**

**Include photographs of the project/program being development and in use.**

**Please share your thoughts and suggestions for improving the PVMF grant request, allocation, and reporting process.**

## Interim Report Form

**Please complete and submit this form to request a time extension on a grant awarded from the Presbyterian Villages of Michigan Foundation.** Submit the interim report with appropriate documentation and photos to Avni Thomas at PVM Foundation, 26200 Lahser Rd, #300, Southfield, MI 48033 or [athomas@pvm.org](mailto:athomas@pvm.org).

**Date:**

**Interim Report Due Date:**

**Grant Number:**

*The due date and grant number are on your Terms of Grant Agreement.*

**Name of PVM Entity Awarded Grant:**

**Primary Contact Person for this Grant:**

**Name of Program/Project Funded by Grant:**

**Amount of Grant Awarded:**

**Amount of Grant Funds Received: \$**

**Amount of Grant Funds Spent.** Please provide a detailed list of expenses paid by grant to date.

**How has the program/project funded by this grant has been implemented to date?**

**Have the objectives of the program/project been met or addressed?**

**Please share any unexpected outcomes and/or other results realized from this grant to date.**

**Do you feel there is anything that would prevent this grant from being fully implemented during the grant period?** ☐ Yes ☐ No

**If yes, please explain.**

**If requesting a time extension, explain how the extension will allow you to meet the project's/program's objectives.**

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## **PVMF Internal Standards & Procedures**



## **FOUNDATION REIMBURSEMENT PROCESS**

1. Purchase items related to your grant.
2. Submit invoices, check request with receipts and purchases made with corporate credit card for reimbursement from PVM Foundation to the Finance Department with the following written information:
  - The 8-digit grant number (located on first page of Terms of Agreement)
  - Your signature approval
  - Your direct reports signature, if required
3. Complete a final report and submit to Director of Grants Management by the deadline on your signed Terms of Agreement.

## **CONTACT INFORMATION**

Presbyterian Villages of Michigan Foundation  
26200 Lahser Road, Suite 300, Southfield, MI 48033  
Office: 248.281.2040  
Fax: 248.281.2080

Avni Thomas, Director of Grants Management  
Office: 248.281.2044  
E-mail: [athomas@pvm.org](mailto:athomas@pvm.org)

## **GIFT PROCESSING & ACKNOWLEDGEMENT PROCEDURES**

**Standard:** Record and acknowledge all gifts on a daily basis.

**Procedure:**

1. Gifts are received (mail, inter-office mail, personal delivery, etc.) and opened by the PVMF Executive Assistant (EA).
  - The EA will make a copy of the check with all gift documentation and stamp each check with the bank deposit stamp in the "signature" area.
  - Cash will be counted and a cash log will be completed by the Gift Management & Database Specialist (GMDS) or EA.
2. EA turns over checks, cash and all gift documentation to GMDS:
  - GMDS will bring special gifts to the attention of the PVMF President.
    - Special letters will be prepared by GMDS or other PVMF staff member.
  - GMDS will indicate on documentation where funds are disbursed, e.g.,
    - **Campaign:** Wellness **Fund:** 4665-050 **Appeal:** 2015 Newsletter 1
  - GMDS will enter all gift information into Raiser's Edge and prepare acknowledgement letters.
    - Acknowledgement letters should be prepared and mailed within a 48-hour period.
  - A Cash Journal report will be run with each gift batch/deposit and distributed to the EA along with all cash and checks. This report will be filed with daily entries and used for deposit.
  - The EA will prepare a deposit and submit through the electronic banking system. On the occasion cash is received, the EA will deliver it to the bank.
3. A gift detail report will be run and distributed to the President at the beginning of each month, or as often as necessary, reporting the previous month.
4. EA will run a disbursement report through Blackbaud Merchants once a month for credit card gifts.
5. GMDS will run the In Honor Of/In Memory Of acknowledgement letters weekly.
6. The EA will be the manager of all individual, corporate and foundation donor files of gifts of \$500 and above, which will be stored in the central file room. The file will consist of the acknowledgement letter and all gift documentation.
7. GMDS will be the manager of all gift files of \$500 and below in a monthly file with current month stored in the GMDS' office and all previous months stored in central file room.
8. Gift records will be sent off-site per the PVM Foundation Document Retention Schedule.



## **PVM FOUNDATION 10% FUNDRAISING MANAGEMENT FEE PROCEDURE**

Revised July 16, 2018

**Standard:** Apply a 10% fundraising management fee to all donations (excluding donations to the PVM Fund). The fee will be counted as fundraising management fee revenue and will be included in the financial activity of the PVM Fund.

### **Procedure:**

1. A report of all will be run in Raiser's Edge (RE) by the PVMF Gift Management & Database Specialist (GMDS). The report will include the following:
  - a. Donor name, gift date, gift amount, gift type (cash, pledges, stock/property, other), Raiser's Edge (RE) fund ID, fund description, gift reference, project description and Financial Edge project #
    - i. FE project numbers can be found in the most current Project Activity Report (located at [G:\Financial Management\Monthly Reports\Monthly Gift Review for 10% Reserve\Project Activity Reports](#))
  - b. Sorted by fund ID
  - c. Gifts exempt from the 10% fee include, but are not limited to the following:
    - i. Gifts to the annual gala
    - ii. PVM Fund
    - iii. Gifts that do not allow fees (i.e., foundation grants that do not fund indirect costs)
    - iv. Pledges made prior to 2017
    - v. Other gifts as determined by the PVM Foundation president
    - vi. Investment income (from Presbytery USA, other investments, etc.) that is transferred into RE unrestricted fund 4601-050 / FE project #10101079
2. The President will review the list monthly and inform the GMDS of any gifts to be excluded from or subject to the 10% fee. For pledges made prior to 2017, the pledge payments will not be subject to a 10% fee, even if the pledge payments are received in 2017 or after.
3. The GMDS will submit a request in writing to the Accounting Manager for a fee transfer, including the amounts and FE project numbers the amounts will be transferred from, to the PVM Foundation RE unrestricted fund 4601-050 / FE project #10101079). The report will include the following:
  - a. The subtotal amount of gifts eligible for a 10% fee for each fund
  - b. The 10% fee of total gifts calculated for each fund
  - c. FE project numbers for each fund

4. The effectiveness and use of staff time to implement this policy will be reviewed by the GMDS, Accounting Manager and PVM Foundation president by June 30<sup>th</sup> each year.

### **CONTACT INFORMATION**

Debbie Smith, Gift Management & Database Specialist

Office: 248.281.2042

E-mail: [dsmith@pvm.org](mailto:dsmith@pvm.org)

Stacey Welford, Accounting Manager

Office: 248.281.2037

E-mail: [swelford@pvm.org](mailto:swelford@pvm.org)

Paul Miller, President, PVM Foundation

Office: 248.281.2045

E-mail: [pmiller@pvm.org](mailto:pmiller@pvm.org)



## **CHARITABLE GIFT ANNUITY (CGA) PROCEDURE**

**Crescendo Gift Pro is the software PVM Foundation uses to produce CGA rates. To provide the appropriate information to the potential donor you must have the information listed below:**

- Age or Ages of beneficiaries
- Type of asset (i.e. securities, cash etc.)
- Type of annuity (non deferred or deferred)
- Distribution frequency (quarterly, bi-annually or yearly....no monthly distributions)
- \$2,500 is the minimum for a first time CGA.

**If the donor agrees to a CGA include the information listed below:**

- Print the CGA agreement from Crescendo Gift Pro (under Gift Annuity one/two life see the tab called Document to print CGA agreement.
- Age or Ages of beneficiaries
- Type of asset (i.e. securities, cash etc.)
- Type of annuity (non deferred or deferred)
- Distribution frequency (quarterly, bi-annually or yearly....no monthly distributions)
- Annuitants holding a CGA of less than \$10,000 will receive their distribution annually
- Social Security #'s of the beneficiary or beneficiaries
- Have the beneficiary or beneficiaries sign a W-9
- The funding to pay for the CGA need to be turned over to PVMF at signing
- If the CGA at majority is designated please include in the agreement (i.e. for Wellness, Green Houses, Village of Westland etc.)
- Have the donor sign two copies of the agreement and leave one with the donor

**After the donor signed the CGA Agreement follow these steps below:**

- Make copies of the signed CGA Agreement and give a copy to VP of Finance and whomever is processing gifts for PVMF
- Put original signed CGA Agreement in the donor file
- Mark the donor as a Calvin Society Member
- Mark the CGA in the excel file called Estates which is on the "g drive" under the folder called planned giving
- Send handwritten thank you note

**Once the gift is made** (paperwork signed, cash or securities in hand)

- Finance receives a copy of the CGA agreement,
- A copy of the completed W-9 from the donor
- A copy of the donor worksheet showing age, payment, frequency and face value so that current and future liability can be calculated

**The funds from the gift annuity agreement will be deposited**

- To the PVMF checking account
- Or deposited to a PVMF investment fund if the gift in the form or marketable securities



- Transfer gross amount to the investment funds in proportion to the current investment policy
- If the donation is in the form of stock, transfer the gift to the equity investment fund (Blair) and assume that overall investments will eventually be rebalanced as necessary to comply with the investment policy.
- Inform Huntington Bank (custodian) of the transfer in the form of a letter to them. The authorization letter must be signed by Roger Myers, Paul Miller, Brian Carnaghi or Don House.
- Authorizations letters are saved (g:/planned giving/cga's pvmf)
- Authorization must be emailed/faxed to Huntington Bank.
- Afterwards, inform Blair of the transaction (by email).

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**Entering of Information:**

- Whoever is entering gifts for the PVMF will enter the appropriate information in Crescendo
- Including establishment of payment amounts and frequency

**Payments:**

- Quarterly (assuming all payments are quarterly),
- Whoever is entering gifts for the PVMF will prepare check requests to finance to issue checks to the donors

**Finance will code the donors:**

- As 1099 vendors (including the SSN info from the W-9).
- Finance will print the checks and return them to the foundation for mailing with an appropriate cover letter

**At the end of the year:**

- When finance runs 1099's, the 1099's for these donors will serve as a reminder to finance (but not be mailed).
- They will be discarded and whoever is entering gifts for the PVMF will be asked to print 1099's from Crescendo for mailing to the donors.
- Crescendo 1099's will correctly reflect taxable income, return of principal and capital gains

**Finance will review the 1099's at year end:**

- Return them to the foundation
- For mailing with a cover letter explaining the taxable portion of the prior year payments

**Also at year end, the finance department will compare the present value calculations:**

- As of the end of the current year
- Compare to the calculations as of the end of the previous year
- Calculate the change in actuarial value of the annuities
- Post an appropriate JE to the general ledger

**Gift Matures:**

- At the time that the Foundation is notified the gift has matured,
- Foundation staff will notify the finance department to remove that annuitant from the present value calculations
- Post the remaining value to the designated fund (refer to the donor agreement or refer to the Raiser Edge file for designation).

**If asked, the finance department will analyze the net return**

- To PVMF for any given annuity
- Using an annual investment returns over the donor's life and the quarterly payouts, etc.
- Foundation staff and board will need to be reminded that these calculations are estimates since the CGA's are not separately invested

**Finance staff will periodically check the endorsements**

- On the backs of cancelled checks to confirm that the annuity is still alive
- Checks not clearing the bank account within a reasonable period of time will be referred to the foundation staff to inquire with the donor

**Charitable Gift Annuity (CGA) Procedure for CFSEM or Presbyterian Foundation CGA's**

1. All planned gift paperwork will be delivered to the GMDS.
2. The GMDS will enter gift to Raiser's Edge accordingly:
  - **Community Foundation for Southeast Michigan CGA:**  
Gift Type: Other  
Amount: CGA Amount (not the value of the gift)  
Campaign: CGA-CFSEM  
Fund: Either 7725 (PVM Endowment) or 4726 (PVM GH Endowment)  
Appeal: Variable, i.e. Touch The Future Support, IRP Support, Planned Gift  
Reference: Include the gifts value, year, and any applicable matches in the Reference line.  
Acknowledge donor.  
**Note: Only match amounts should be reported to the PVM Finance Department. Cash from CGA will not be realized until the gift matures. CGA value will then be deposited into the PVM CFSEM account.**



- **Presbyterian Foundation CGA:**

Gift Type: Other

Amount: CGA Amount (not the value of the gift)

Campaign: CGA-PCUSA

Fund: 4761 (PCF)

Appeal: Variable, i.e. Planned Gift

Reference: Include gift value and year in the reference line.

Acknowledge donor.

**Note: Cash from the CGA will not be realized until the gift matures and should not be reported to the PVM Finance Department. PVMF will receive a check from the Presbyterian Foundation upon gift maturity.**

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- **Comerica Held CGA:**

Gift Type: Other

Amount: CGA Amount (not the value of the gift)

Campaign: CGA-Comerica

Fund: Variable, determined by donor's designation for use of funds

Appeal: Variable, i.e. Planned Gift

Reference: Include gift value and year in the reference line.

Acknowledge donor.

**Note: Cash from the CGA will not be realized until the gift matures and should not be reported to the PVM Finance Department. PVMF will receive a check from Comerica upon gift maturity.**

- **PVMF Held CGA:**

Gift Type: Other

Amount: CGA Amount (not the value of the gift)

Campaign: CGA-PVM

Fund: 4637-050 (PVM Held)

Appeal: Variable, i.e. Planned Gift

Reference: Include gift value and year in the reference line.

Acknowledge donor.

**Note: PVMF will provide the Finance Department with the CGA agreements so the gift can be properly booked to the PVMF CGA Fund. Once the gift matures, PVMF will refer to the annual Charitable Gift Annuity Profitability Report (provided by the PVM Finance Department) to determine the amount that needs to be transferred from the CGA account to the proper PVM Foundation Fund per the donors specifications in the CGA contract.**

3. The EA will maintain planned giving donor files.



## **CASH RECEIPT PROCEDURE**

The cash receipt procedures described below is to be followed for all fundraising activities. The following process applies only to cash to be deposited.

### **Collection Process:**

1. PVMF must approve all items that will be sold as part of the fundraising event.
2. The fundraising designee must submit cash and checks collected to the PVMF office within (3) three business days of the event/activity. (Please have all money counted and tallied with coins wrapped and currency placed in order of denomination.)
3. All cash deposits should be delivered to PVMF in person. Do not send cash through the inter-office mail system or through the U.S. mail. For Village locations that are not able to regularly deliver cash donations due to distance, cash donations may be converted into money orders to ensure prompt delivery to PVMF.
4. The completed Event/Cash Tally Form must accompany the cash/event monies and must be signed by two individuals from the Village at which the event was held. A list of donor names with contact information should be also be submitted with their appropriate donation amount. (See Addendum A for Event/Cash Tally Form.)
5. The PVMF will re-count the cash and provide a copy of the cash receipt with an accurate description to the fundraising designee.
6. All checks should be made out to Presbyterian Villages of Michigan Foundation.
7. It is the responsibility of the fundraising designee to indicate whether items are taxable or non-taxable. Any Village that raises \$5,000 or greater from item sales annually will be responsible for paying State of Michigan sales tax. (See Special Events, Auctions and Raffles on page 25.)

### **Deposit Process:**

1. Deposit all checks and cash collected within three business days of receipt. Cash should be secured in the PVMF overnight and should not be kept at a private home.  
*Note: Cash and checks must be held in a secured, locked area in the Villages prior to their delivery to PVMF.*
2. Fundraising designee should retain a copy of the deposit for their records.

## **CREDIT CARD GIFTS PROCEDURES**

**Standard:** Credit card transactions are to be completed within 24 hours of receipt.

### **Credit Card Gifts Received via Mail, Inter-Office Mail, Personal Delivery, etc.**

1. Enter as part of normal Raiser's Edge (RE) gift batch
2. Before committing batch:
  - a. Click "authorize credit card transactions" button on RE tool bar
  - b. Pick "Blackbaud (BB) Merchant Services" from drop down menu
  - c. RE will automatically send a transmission to BB for authorization and processing. BB will return authorization codes, which will automatically populate the Authorization Code column of the batch.
  - d. Check for any declined transaction, correct as needed, reprocess through BB Merchant Services, as above. (Important note: only attempt twice in any day or the credit card account will be locked.) If declined a second time, delete from batch, attempt to resolve issue and resubmit the next day.
3. Commit Batch
  - o Click green exclamation mark – new window will open
  - o Click "Commit Now"
  - o If exception is found, check and see what the exception is – make correction
  - o Click "Modify Batch Totals"
  - o Click "Commit Now" again
  - o Preview Report and Close
4. **IMPORTANT: Black out credit card number on all documentation**

### **Credit Card Gifts Received via Blackbaud Online Express – Online**

1. Go to Online Express page in Raiser's Edge (RE)
2. Click on "Download Transactions"
3. In pop-up box click on "click here to check for and download new transactions"
4. If new transactions appear, open appropriate category(s), identify and match donors or create new record if needed, then create new batch
5. Go to Batch page in RE and open appropriate batch
6. Process gifts as outlined above for credit card gifts
  - a. Be sure to check "OPX Gift Note" for any special instructions regarding gift, i.e. designation or gift fund
7. **IMPORTANT: Black out credit card number on all documentation**

### **Batch Headings should include:**

**Constituent – Amount – Receipt Amount – Date – Type – Campaign – Fund – Appeal – Pay Method – Amount Bills – Amount Coins – Check Date – Check Number – Authorization Code – Credit Card Number – Credit Type – Cardholder Name – Expires On – Reference – Letter Code – GL Post Status**



## **DEPOSITS PROCEDURE**

**Standard:** Deposits of cash and checks are to be made at least on a weekly basis by the Executive Assistant, or more frequently as deemed appropriate by the President of PVMF.

**Procedure:**

1. All gifts for which a deposit is being made must be entered into Raiser's Edge. **See *Gift Processing & Acknowledgement Procedures on page 40.***
2. GMDS prepares a Cash Journal Report for the bank deposit period to verify deposits recorded in Raiser's Edge against funds to be deposited.
3. GMDS and EA reconcile any discrepancies between reported deposits against funds to be deposited.
4. EA endorses all checks for deposit with the PVMF's bank stamp prior to the GDMS entering the gifts into Raiser's Edge.
5. EA verifies amounts, prepares the deposit electronically to the PVMF's bank account, maintains the bank deposit receipt and provides Finance with copies of all materials.
6. EA maintains all deposit backup documentation. These documents are to be paper-clipped and filed by month. Backup documentation include copies of cash and checks, gift documentation, adding tape slips, gift detail and summary report for the deposit period, and transmittal report for the deposit period.
7. Checks deposited through the Blackbaud Merchant electronic process are destroyed one month after the actual deposit.



## **MONTHLY REPORTING TO FINANCE AND RECONCILIATION PROCEDURES**

**Standard:** PVMF is to provide the Finance Department with a Monthly Gift Summary and reconcile any discrepancies with Finance in a timely manner.

**Procedure:**

1. GMDS prepares a Monthly Gift Summary detailing gift amounts recorded by Fund, as well as Other Gift and Pay Cash and provides to the President of the PVMF for review.
  - a. This report and current month Pledge Payment for VEH, Rivertown & Hillside/Friendship Center Renewal Campaign, Original Pledges, and Finance Pledge reports are to be provided to the PVM Finance Department no later than 7 business days after month-end.
  - b. Original copies are retained in GMDS office.
  - c. Monthly gift summary for VEH, Rivertown & Hillside/Friendship Center Renewal Campaign, GIK, and final Financial Summary reports provided as PDF files on "G" drive.
2. PVM Finance Department receives the PVMF's bank statement, makes copies and provides a copy to the PVMF.
3. PVM Finance Department notifies the PVMF President, GDMS or EA of any discrepancies.
4. The GMDS or EA reconciles any discrepancies and notifies the PVM Finance Department of the nature of the discrepancies. This occurs no later than 3 days after the discrepancy notification from the PVM Finance Department.
5. PVMF steps in determining discrepancies include:
  - a. EA reviews bank statement to determine the number of monthly deposits, net credit card proceeds deposited, and any other deposits or transaction fees posted to the PVMF's account.
  - b. EA reviews the Summary and Detailed Gift Reports and Transmittal Reports for each deposit period.
  - c. EA is to reconcile the Detailed Gift Reports against funds deposited.
  - d. EA prepares a Monthly Reconciliation Report detailing the discrepancies in the amounts recorded versus amounts deposited into the PVMF's bank account and provides to the PVM Finance Department. The PVMF Executive Assistant maintains the discrepancy files.

## **ONLINE DONATION PAGE PROCEDURE**

**Standard:** Credit card donations made online will be checked by the PVMF Gift Management and Database Specialist and recorded daily in Raiser's Edge.

### **Raiser's Edge Procedure:**

1. Changes to the donation page or additional donation pages can be made through the Online Express module.
2. Click Online Express in left navigation menu.
3. Select the donation form to modify.
4. To create a new donation page, click "Create a form" and follow the donation form prompts with desired customization. To link the new page to the website, click on the tab 6 called "That's it!" and provide the programming code to the web manager.
5. To change an existing donation page, click on the donation form to modify and change the page style options, as deemed appropriate. Changes that can be made include:
  - a. Unlimited number of donation pages
  - b. Customizable forms
  - c. Funds to include
  - d. Fields available
  - e. Gift amounts
  - f. Form layout
  - g. Fonts, colors and borders
  - h. Title of the donation form
  - i. Detail information of the donation form
  - j. Confirmation and thank you messages

## **BLACKBAUD MERCHANT REPORTING PROCEDURES**

**Standard for Offline and Online Giving:** Run Disbursement Reports containing credit card transactions within seven dates after the first of the month.

**Procedure for Disbursement Report in Detail mode:**

1. Log into the Blackbaud Merchant Services Web Portal at <https://blackbaud.com>
2. Go to Reports under Navigation on left side of screen
3. Under Reports select Daily transactions
3. Click drop down by Date: Select specific dates
4. Insert start date and end date
5. Click View Report
6. Click Printer icon to print your report
7. Always logout after printing report



### **STOCK GIFT PROCEDURE**

1. A PVMF staff member receives a call from a donor requesting information on donating stock to PVMF. The PVMF President should be notified of the request.
2. The PVMF staff member should provide the following information to the donor to pass on to his/her stockbroker which will allow the transfer:
  - a. DTC Eligible Issues
    - i. Broker: Huntington National Bank
    - ii. Depository Trust ID: #2305
    - iii. Agent ID: #10048
    - iv. F/A/O: Presbyterian Villages of Michigan Foundation - #3540074370
3. Huntington National Bank should be contacted, as a courtesy, informing them of the incoming stock.
4. When the stock has been received from the donor/stockbroker, Huntington National Bank will forward a gift notification to PVMF. The PVMF staff member should notify the PVMF President and VP of Finance by forwarding a copy of the gift notification.
5. PVMF's investment manager may be consulted at the discretion of the PVMF President regarding the sale or reinvestment of the stock gift. The options are:
  - a. Reinvest as part of portfolio
  - b. Deposit funds into PVMF checking account number 01381916443 via electronic funds transfer.
6. When the decision has been made, an email directive will be prepared by the PVMF President and forwarded to Huntington National Bank, with copies to the VP of Finance so that he/she may adjust the books accordingly.
7. When William Blair has sold the stock, Huntington National Bank will forward a completed gift notification with the date sold and proceeds from the sale included.
  - a. A copy of the completed gift notification should be forwarded to the PVMF, VP of Finance and GDMS.
8. The amount of the reported value of the stock the date it was received should be credited as a gift to the donor's record in Raiser's Edge, NOT the sale value of the stock if sold.
  - a. The gift should be recorded as a Stock/Property gift, not a Cash gift in the Raiser's Edge system.
9. List of contacts:

❖ Huntington National Bank  
Brian Wolfe  
[Brian.Wolfe@huntington.com](mailto:Brian.Wolfe@huntington.com)  
248.554.6615  
220 Park Street  
MI9199  
Birmingham, MI 48009

- ❖ William Blair & Company, LLC  
John Jostrand  
[jjstrand@williamblair.com](mailto:jjstrand@williamblair.com)  
312.364.8986  
222 West Adams St.  
Chicago, IL 60606
- ❖ William Blair & Company  
Cliff Kalish  
[ckalish@williamblair.com](mailto:ckalish@williamblair.com)  
312.364.8239  
(f) 312.277.2583  
222 West Adams Street  
Chicago, IL 60606
- ❖ Aileron LTD  
Peter Kurrie  
Millpond Parke Office Complex  
818 W. Grand River  
Brighton, MI 48116  
810.494.7190  
[aileronltd@millpondparke.com](mailto:aileronltd@millpondparke.com)
- ❖ Donald House  
Vice President of PVM Finance Department  
248.281.2030  
[dhouse@pvm.org](mailto:dhouse@pvm.org)

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## **ADDENDUMS**

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# EVENT/CASH TALLY SHEET

Village Name \_\_\_\_\_

Name of Event \_\_\_\_\_ Date \_\_\_\_\_

Currency	Amount	Coins	Amount
\$100		Silver Dollars	
\$50		Half Dollars	
\$20		Quarters	
\$10		Dimes	
\$5		Nickels	
\$2		Pennies	
\$1			
<b>Total</b>	<b>\$</b>	<b>Total</b>	<b>\$</b>

## Amounts

Currency \$ \_\_\_\_\_

Coin \$ \_\_\_\_\_

Checks \$ \_\_\_\_\_

Grand Total \$ \_\_\_\_\_ Amount for Deposit \_\_\_\_\_ Date \_\_\_\_\_

Signature #1 \_\_\_\_\_

Signature #2 \_\_\_\_\_

## Release of Funds

Amount \$ \_\_\_\_\_

Received by \_\_\_\_\_ Date \_\_\_\_\_

Directions: Both people count all monies, checks and record. Both people sign this form and take to The Foundation office. A copy will be made for your records from the Foundation office.

26200 Lahser Road, Suite 300, Southfield, Michigan 48033-7157  
248.281.2040 Phone 248.281.2080 Fax [www.pvm.org](http://www.pvm.org)





**Addendum B**  
**Gift In-Kind Contribution Form**

**Gift-In-Kind Contribution Form**

**Name of the item/items:**

**Description:**

**Estimated Fair Market Value** (as appraised by donor, receipt must be attached for exact value): \$ \_\_\_\_\_

**Please list me/us the following way in donor recognition materials:**

**Name:**

**Company:**

**Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Fax:**

**E-mail:**

**Contact:**

**Item Donated To (list Village location):** \_\_\_\_\_

**Administrator Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

***Presbyterian Villages of Michigan Foundation is a 501(c) (3) nonprofit organization***  
***26200 Lahser Road, Suite 300, Southfield, MI 48033 – 248.281.2040***

## **A DONOR BILL OF RIGHTS**

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**Developed by:**

Association of Fundraising Professionals (AFP)  
Association for Healthcare Philanthropy (AHP)  
Council for Advancement and Support of Education (CASE)  
Giving Institute: Leading Consultants to Non-Profits

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**PHILANTHROPY** is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

**I**

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

**II**

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

**III**

To have access to the organization's most recent financial statements.

**IV**

To be assured their gifts will be used for the purposes for which they were given.

**V**

To receive appropriate acknowledgement and recognition.

**VI**

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

**VII**

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

**VIII**

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

**IX**

To have the opportunity for their names To be deleted from mailing lists that an organization may intend to share.

**X**

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

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Presbyterian  
Villages  
OF MICHIGAN

THE FOUNDATION

26200 Lahser Road, Suite 300 | Southfield, MI 48033  
Office 248.281.2040 | Fax 248.281.2080 | TTY 800.649.3777  
[www.pvmf.org](http://www.pvmf.org)



January 14, 2019

Dear Board Members & Leadership Team:

Each year as part of Presbyterian Villages of Michigan's Corporate Compliance Program, we require that a Conflict of Interest statement be filled out and returned. The purpose for this is to make sure that all of Presbyterian Villages of Michigan's transactions are transparent. The 2019 Conflict of Interest form and the policy are attached.

Having a conflict of interest does not mean that you cannot serve on a board or in a leadership position. It does mean that you would not be able to participate in any voting or decision making on awarding of contracts, choosing vendors or in any way influencing a decision on a matter that concerns your conflict. For example, if you or a family member owned a business that wants to do work with PVM, you would have to declare your connection to that business and not participate in the deliberations on choosing a vendor. Once a conflict is declared, board chairs are made aware of potential conflicts on their boards. It is expected that you would automatically exclude yourself from any potential conflict in your capacity as a board member or leadership team member.

In past years, getting these forms returned in a timely manner has been a challenge. Therefore, we are asking for your cooperation in returning these forms at your board meeting, by mail or email no later than Thursday, February 28, 2019. The forms should be sent to the attention of: Kelly Samonie at the corporate office or by email to [ksamonie@pvm.org](mailto:ksamonie@pvm.org).

Thank you in advance for your assistance in this important matter.

Sincerely,

William Ball  
PVM Board Chair

Sincerely,

Katrina Summersett  
PVM Corporate Compliance Officer



**PRESBYTERIAN VILLAGES OF MICHIGAN  
CONFLICT OF INTEREST POLICY  
FOR DIRECTORS, TRUSTEES, OFFICERS, CERTAIN EMPLOYEES**

**Adopted by the Board of Directors March 25, 2004;  
Revised December 9, 2008 (by the Executive Committee of the PVM Board);  
Revised March 3, 2018 (by the Corporate Compliance Committee)**

All directors, trustees, officers, and employees of Presbyterian Villages of Michigan and its Villages (collectively referred to as "PVM") have a duty of loyalty and honesty to PVM. Financial, business, personal and other relationships may exist or arise that create a conflict between an individual's duties to PVM and the individual's interests or relationships with others. PVM's Code of Conduct alerts employees to the possibility of conflicts of interest in the performance of their duties. This Policy, which treats the subject in greater detail, applies to directors, trustees, officers and certain employees. The "certain employees" are employees whose duties involve managerial discretion and who are designated by the President of PVM to comply with this Policy (referred to as "Designated Employees"). These employees include all executive and administrative staff members of PVM and managed entities.

**DESCRIPTION OF A CONFLICT OF INTEREST**

Conflicts of interest arise from multiple relationships. The relationships may be in direct conflict or may create the appearance of a conflict. If, for example, a PVM director is a stockholder or officer of a company doing business with PVM, there is a clear conflict between the director's interest in the financial success of the company and the director's obligation to see that PVM obtains quality products and services at the best possible price. Another example may be, a PVM director may be on the staff of a hospital with which PVM has a relationship. This dual relationship may have the appearance of a conflict, but may not be of such significance as to be of concern. In both examples, the PVM director has an obligation to disclose the facts of the dual relationship to PVM, so that PVM can determine whether the conflict or appearance of conflict is such that the individual should not serve or should cease serving on the Board.

**DUTY TO DISCLOSE RELATIONSHIPS**

Disclosure of relationships is the first step in resolving conflicts. It is the duty of the individual with the conflicting relationships to disclose it to PVM. For this purpose, each person, upon first becoming subject to this Policy, shall file a Disclosure Statement with PVM, and annually thereafter. The Disclosure Statement is attached. New Disclosure Statements should be filed promptly whenever new relationships arise that come within the scope of this Policy.

If the possibility of a conflict of interest first arises in the course of acting on behalf of PVM (for example in the course of a meeting or negotiations), the individual who has the possible conflict should disclose it immediately to his or her colleagues so that action is not taken without knowledge of the conflict.

**RESOLUTION OF CONFLICT**

Following disclosure of a conflict of interest, the Board must obtain full knowledge of the facts, evaluate the conflict and determine what action, if any, is necessary. It is not in the best



interest of PVM to preclude the service of qualified individuals solely due to a possible conflict of interest.

If the PVM Board proceeds with a transaction in which a PVM director has disclosed a conflict of interest, the Board shall proceed in the following manner: (a) the director with the conflict may give the Board his or her view of the matter and should answer all questions fully and honestly, (b) the director should leave the room so that the remaining directors may discuss the matter outside his or her presence, (c) the directors may vote on the matter with or without the conflicted director being present, but if the director is present the director shall not vote on the matter, and (d) the conflicted director may be counted for purposes of determining a quorum for the meeting.

## **FAMILY AND BUSINESS RELATIONSHIPS**

The attached Disclosure Statement asks for disclosure of family and business relationships of PVM directors, trustees, officers and certain employees. While these relationships are not automatically considered a conflict of interest, the Board believes it is essential for PVM to be aware of them.

**Family Relationships are defined as:** An individual's spouse, ancestors, children, grandchildren, great-grandchildren, siblings (whether by whole or half blood), and the spouse of children, grandchildren, great-grandchildren, and siblings.

**Business relationships are defined as:** Employment and contractual relationships, and common ownership of a business where any officers, directors, or trustees, individually or together, possess more than a 35% ownership interest in common. Ownership is further defined as voting power in a corporation, profits, interest in a partnership, or a beneficial interest in a trust.

## **ADMINISTRATION OF POLICY**

This Policy will be administered as follows:

The Chairman of the Board, President of PVM and or the Compliance Officer will assure that this Policy and the Disclosure Statement are made available annually to, and completed by, all persons who are subject to the Policy and serving PVM.

PVM Conflict of Interest Policy

Page Three

Completed Disclosure Statements shall be delivered to the Compliance Department per the instructions in the PVM Disclosure Statement letter attached to this policy. Annual updates either in person, email or by mail addressed to the PVM Compliance Department at PVM's executive offices, 26200 Lahser, Suite 300, Southfield, MI 48033-7157. Disclosure Statements for each person shall be retained in the Compliance Department.

The Chairman of the Board and the Administrator of each Village shall assure that this Policy and the Disclosure Statement are made available annually to, and completed by, all

persons serving the Village who are subject to the Policy. Completed Disclosure Statements shall be delivered to the Chairman, either in person or by mail addressed to the Chairman at the offices of the Village. Disclosure Statements for each person shall be retained in a file for that person in the office of the Administrator.

The Chairman of the Board of PVM and each Village shall be responsible for annually reviewing completed Disclosure Statements and reporting, in writing, to his or her Board any conflict information disclosed in the Statements, excluding information provided pursuant to Paragraphs 4 and 5 of the Disclosure Statement, unless the Chairman believes such information should be brought to the attention of the Board. The Board shall review the information and take such action as it may deem appropriate in accordance with this Policy. Each Village Administrator shall forward to the PVM Chairman copies of Disclosure Statements that include conflict information.

Conflict information reported to Boards shall be reflected in the minutes of the meeting at which the information is reported and the minutes shall reflect the action taken by the Board. If no action is taken, the minutes shall reflect that the Board determined that the relationships reported would not prevent the person involved from acting in the best interest of PVM.

### **AVOIDING CERTAIN POTENTIAL CONFLICTS**

Persons subject to this Policy shall not accept gifts, gratuities, entertainment or other favors that would adversely affect their ability to act in the best interests of PVM.

### **OTHER POLICIES**

This Policy supersedes PVM's policy titled "Disclosure of Interest of Members of Board of Directors" adopted by the PVM Board January 15, 1976. This policy does not in any way override PVM's Code of Conduct.

### **QUESTIONS**

Questions concerning this Policy should be directed to the President of PVM, who shall keep the Chairman of PVM informed of issues that arise under the Policy.

PRESBYTERIAN VILLAGES OF MICHIGAN

2019

**DISCLOSURE STATEMENT FOR DIRECTORS, TRUSTEES, OFFICERS,  
CERTAIN EMPLOYEES PURSUANT TO CONFLICT OF INTEREST POLICY**

I am \_\_\_\_\_ of  
\_\_\_\_\_ (indicate positions with PVM and its Affiliates).

I have read and understand the revised PVM Conflict of Interest Policy dated March 3, 2018. Pursuant to that Policy, I confirm that the following statements are true, except as set forth below (if no disclosure is required in response to any question, please enter the word "None"):

1. I have no interest in or relationship (as shareholder, director, officer, employee, trustee, consultant or otherwise) with any business, organization or other entity (a) doing business with, or (b) in competition with, PVM or any of its Affiliates, except for insignificant holdings of securities in public companies and except as follows (if none, please enter the word "None"):

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2. To the best of my knowledge, no member of my family or relative of mine (whether by blood or marriage) has any interest or business relationship as described in Paragraph 1, (above) except the following:

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3. To the best of my knowledge, no matter is presently pending or anticipated that if consummated would result in an obligation to disclose under Paragraphs 1 or 2, except the following:

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4. No member of my family or, to the best of my knowledge, any relative of mine (whether by blood or marriage) is employed by PVM or any of its Affiliates, except for the following:

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5. No member of my family or, to the best of my knowledge, any relative of mine, (whether by blood or marriage) is a resident of any Affiliate of PVM, except the following:



I agree that if at any time I become aware of information that should be disclosed above, or if any matter is under consideration that may require disclosure above, I will inform the Chair of the Board or President of PVM promptly, and file a Disclosure Statement in accordance with the PVM Conflict of Interest Policy.

\_\_\_\_\_  
Signature and Title (relationship; i.e. board, staff)

\_\_\_\_\_  
Name Printed

\_\_\_\_\_  
Name of PVM Affiliated Entity (see below list)

\_\_\_\_\_  
Date Completed

Note: PVM Affiliates are listed below where Disclosure Statements are to be on file.

Alpena Village  
Court Street Village  
Delta Manor  
Hartford Village  
Lakeshore Senior Living  
Lynn Street Manor  
McFarlan Home  
Park at Franklin  
Perry Farm Village  
Presbyterian Villages of Michigan  
Presbyterian Villages of Michigan Foundation  
Redford Cottages  
The Park at Trowbridge  
The Villa at Redford  
The Village of Bethany Manor  
The Village of Brush Park Manor  
The Village of East Harbor  
The Village of Gibraltar Manor  
The Village of Hampton Meadows  
The Village of Harmony Manor

The Village of Hillside  
The Village of Holly Woodlands  
The Village of Lake Huron Woods  
The Village of Mill Creek  
The Village of Oakland Woods  
The Village of Oakman Manor  
The Village of Our Saviour's Manor  
The Village of Perry Farm  
The Village of Peace Manor  
The Village of Spring Meadows  
The Thome Rivertown Neighborhood  
The Village of Rosebush  
The Village of Sage Grove  
The Village of St. Martha's  
The Village of University Meadows  
The Village of Warren Glenn  
The Village of Woodbridge Manor  
The Village of Westland  
Vista Grande Villa

# TREASURER'S REPORT

(Mr. Carnaghi)

Tab 7

**Presbyterian Villages of Michigan Foundation (PVMF)**  
**Treasurer's Report – One Page Executive Summary**  
**For January 22, 2019**

From time to time, PVMF has supported PVM through boutique financing and credit enhancement for key initiatives. A line has been established for PVM's operations needs.

Current credit facilities used to assist PVM are as follows:

	<b>Current Balance Owed 12/31/18</b>	<b>Forecasted Balance Owed 2/28/19</b>
<b>\$1M Facilities Advancement Line of Credit (LOC) for PVM, 3/2013</b>	\$0	\$0
<b>\$500,000 Operating Line of Credit (LOC) for PVM, 6/2018</b>	\$0	\$0

The 2018 financial operating performance is contained in the President's report.

The overall performance of the investment portfolio through November 30, 2018 was 4.09%, net of fees, which is above the benchmark performance of 1.30%. There have been no significant funds drawn and/or reinvested in the managed portfolio since the February 2018 report.

\$900,000 of approximately a \$950,000 bequest to East Harbor was received in September 2018. These funds, net of \$25,000 going directly to East Harbor and the PVMF 10% fee, were temporarily invested in the HNB MMAX in September 2018, of which \$762,000 was granted to PVM in December 2018 to invest in East Harbor's new independent living project land acquisition from the East Harbor obligated group entity and a payment to PVM to cover pre-development advances.

Wm. Blair raised approximately \$200,000 in realized gains in December 2018, which had been re-invested.

An additional was \$200,000 liquidated from the HNB MMAX account in January 2019 and combined with PVMF operating cash to fund the 2019 benevolence and other grants to PVM's obligated group Villages of \$423,000.

If the government shutdown of HUD offices continues beyond January/February 2019, PVM may seek a draw on the PVMF operating line of credit. Management is monitoring the situation closely with its trade associations.



**Presbyterian Villages of Michigan Foundation (PVMF)  
Treasurer's Report – Detailed Report and Related Motions  
For January 22, 2019**

**PVMF \$1 Million Line of Credit to PVM for Facilities Advancement**

The LOC available to PVM Corporate at December 31, 2018 is \$1 million.

***Recent History and Forecast of Line of Credit Activity:***

	Initial Approval and Purpose	Withdrawal	Returned	Balance Available
	No loans/advances outstanding.			\$1,000,000

***Motion – No action necessary. No attachment.***

**PVMF Line of Credit to PVM for General Operations of \$500,000**

The LOC available to PVM Corporate at December 31, 2018 is \$500,000.

***Recent History and Forecast of Line of Credit Activity:***

	Initial Approval and Purpose	Withdrawal	Returned	Balance Available
	No Activity to Date			\$500,000

***Motion – No action necessary. No attachment.***

**Investment Policy, Portfolio Performance, and Activities**

The year to date November 30, 2018 performance was up 4.09%, net of fee adjustment, compared to the benchmark of 1.30%. This is up from the 2.32% in the October 31, 2018 report, but down from the 7.32% in the August 31, 2018 report. There was a \$1,428,000 positive spread between market value and cost on November 30, 2018, down from \$1,810,000 at December 31, 2017. The market value at November 30, 2018 and 2017 was \$13,972,000 (including \$1,218,000 in the HNB MMAX account) and \$13,338,000, respectively, for an increase of \$634,000. The portfolio's equity position is at 65.5%, not including the HNB MMAX funds, which is slightly above the investment policy. The full November 2018 investment report was sent electronically to the PVMF Board. See excerpt attached. Our investment counsel will have a full 2018 report at the Investment Committee meeting and Wedge Capital will review their 2018 performance in the Domestic Fixed Income portfolio, where \$4,404,000 of market value is managed, compared to \$4,497,000 in cost.

***Motion – No Action Necessary. Attachment.***

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
NOVEMBER 30, 2018**

Foundation Market Value	\$13,971,945
Increase/Decrease from October Report	\$196,447 *

**ASSET ALLOCATION**

	<u>Guidelines</u>	<u>Actual</u>	<u>Delta</u>
Large Cap Equity	45%	46.9%	1.9%
Convertibles	10%	9.9%	-0.1%
Int'l Large Cap Equity	<u>10%</u>	<u>8.7%</u>	<u>-1.3%</u>
Total Equity	65%	65.5%	0.5%
US Fixed Income	35%	34.5%	-0.5%

Note: Portfolio is rebalanced if an asset class exceeds 10% or more of PVMF Guidelines

**2018 INVESTMENT PERFORMANCE - FEE ADJUSTMENT**

	Net of Fees	Benchmark	
	Return	Return	Delta
<b>PVMF</b>	<b>4.09%</b>	<b>1.30%</b>	<b>2.79%</b>
Wm. Blair All Cap	16.90%	5.11%	11.79%
Eagle Lg Cap	6.69%	5.11%	1.58%
Macquarie Conv.	-0.63%	0.85%	-1.48%
Wm. Blair Int'l Eq	-8.52%	-9.40%	0.88%
Wedge Fixed Income	-0.51%	-0.45%	-0.06%

**INVESTMENT PERFORMANCE - INCEPTION TO DATE ANNUALIZED FEE ADJUSTMENT  
07/01/1996 - 11/30/2018**

	Net of Fees	Benchmark	
	Return	Return	Delta
<b>PVMF</b>	<b>8.14%</b>	<b>6.84%</b>	<b>1.30%</b>
Wm. Blair All Cap (1)	10.21%	8.54%	1.67%
Eagle Lg Cap (2)	11.40%	8.59%	2.81%
Macquarie Conv. (3)	6.40%	3.18%	3.22%
Wm. Blair Int'l Eq (4)	1.99%	1.16%	0.83%
Wedge Fixed Income (5)	1.20%	1.22%	-0.02%

PVMF goal is to exceed a blended return of the following indices net of fees:

1. S&P 500 Index
2. Merrill Lynch U.S. Value Convertible Index
3. EAFE Index
4. Bloomberg Barclays Intermediate Govt./Credit Index

- (1) William Blair All Cap hired on 7/01/96  
 (2) Eagle Capital hired on 9/01/06  
 (3) Macquarie (Delaware) hired on 11/01/10

- (4) William Blair International hired on 5/01/14  
 (5) Wedge Fixed Income hired on 5/01/14

**PRESBYTERIAN VILLAGES OF MICHIGAN  
FOUNDATION  
ASSET AND MANAGER ALLOCATION AS OF  
NOVEMBER 30, 2018**

	<u>Cost Value</u>	<u>Market Value</u>	<u>% Allocation</u>	<u>Target</u>
<b><u>Manager Allocation</u></b>				
<b>Equities</b>				
Domestic Large Cap				
William Blair (All Cap Growth)	2,470,267	3,131,539	24.6%	
Eagle (Core)	<u>2,091,465</u>	<u>2,844,584</u>	<u>22.3%</u>	
	\$4,561,732	\$5,976,124	46.9%	45.0%
Convertibles				
Macquarie	1,257,883	1,265,808	9.9%	10.0%
International Equity				
William Blair	<u>1,008,428</u>	<u>1,108,135</u>	<u>8.7%</u>	<u>10.0%</u>
Total Equities	\$6,828,043	\$8,350,066	65.5%	65.0%
<b>Fixed Income</b>				
Domestic Intermediate				
Wedge	<u>4,497,357</u>	<u>4,403,739</u>	<u>34.5%</u>	<u>35.0%</u>
Total Fixed	4,497,357	4,403,739	34.5%	35.0%
Cash				
Cash Equivalents	<u>0</u>	<u>0</u>	<u>0.0%</u>	<u>0.0%</u>
Total Fund	<u>\$11,325,400</u>	<u>\$12,753,805</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Sub Fund</b>				
Huntington MMAX Money Market	<u>1,218,140</u>	<u>1,218,140</u>		
Total Fund	<u>\$12,543,540</u>	<u>\$13,971,945</u>		

- Huntington Bank provides custody





# EXECUTIVE SESSION

Tab 8



**ADJOURNMENT**

**Tab 9**