

PRESBYTERY OF SHENANDOAH
EQUITY FUND POLICY

A housing equity fund is a form of deferred compensation. The equity fund may be invested by the teaching elder as he or she desires. The management and control of the fund resides with the teaching elder. Presbytery shall *not* be involved in the administration of any equity fund. It shall be the sole responsibility of the teaching elder to select the investment vehicle, which may be changed by him or her only at the beginning of each church fiscal year. The fund would accumulate according to a specified agreement between the congregation and teaching elder. Income produced by the Equity Fund, whether in cash, dividends or stock, shall be reinvested in that account. At all times the account is fully vested in the teaching elder. When termination of service is due to death of the teaching elder, the equity fund shall be vested in the surviving spouse or family. No income taxes are assessed until the funds are withdrawn from the account. At that time the IRS taxes these funds as “ordinary income”. It is strongly recommended that this fund be created in consultation with a qualified tax attorney or certified financial advisor to assure that this agreement conforms to the IRS requirements. The sole function of the CPT shall be to assure that the account is a suitable one to fulfill its purpose as an equity escrow vehicle. When a newly installed pastor is in place, that responsibility is transferred to the CRM. The minimum annual contribution to an equity fund is \$1,200.