

The Church of the Resurrection Copley Parish Gunpowder Hundred

Joppatowne, Maryland

Vestry Meeting February 11, 2015

Present: Matthew D'Amario, Betty Bennett, Diane Curtis, Craig D'Amario, Stephen Franzoni, Ken Grumbach, Mary Lou Sieber, Kathleen Snyder, Pam Young, Linda Bullock

Absent: Ron Young

The meeting started at 6:00 p.m. with a reading from 1st Corinthians, chapter 12 and a prayer by Matthew+

Old Business:

1. Review of Vestry Meeting minutes of 1/8/15 - Minutes reviewed and approved unanimously.
2. Review of Emergency Vestry Meeting minutes of 1/22/15 - Reviewed and approved unanimously.
3. Endowment Committee – Amanda Roman, Paul Theodore, and Maureen Long will serve on the committee. Committee members will serve for 3 years.

New Business:

1. Election of representative to diocesan convention – Amanda Roman to continue to serve as representative.
2. Parochial Report – Report reviewed. (See addendum #1). Approved unanimously.
3. Enabling resolution and policies for endowment – Enabling resolutions and policies for endowment reviewed. (See addendum #2). Approved unanimously.

REPORTS:

1. Treasurer's Report – Betty Bennett

January checkbook and savings account reviewed. Approved unanimously.

2. Outreach Warden - Craig D'Amario

A. Working on spaghetti dinner.

B. Interviewing vendors for upcoming Quarter Auction.

C. Boy Scouts Troop #978 now has a wall in Leighton Hall where memorabilia is displayed.

3. Property Warden – Ron Young

No report given as Ron was not present at meeting. Pam Young did tell the Vestry that Ron had purchased a safe as previously discussed.

4. People's Warden – Mary Lou Sieber

- a. Vestry call list was updated.
- b. Attendance list is reviewed by Mary Lou regularly.
- c. News of the people: Janis Johnson had a stroke and is currently recovering.

5. Rector's Warden – Stephen Franzoni

- a. Some parishioners have been making changes to rooms without permission of the Vestry.
- b. Drinks are not to be taken into the church.

6. Rector – Matthew+

- a. Father Simmons of Holy Spirit Catholic Church and Reverend Bultena of Good Sheppard Presbyterian Church, both of Joppatowne, would like to have an Ecumenical blessing of palms with Church of the Resurrection on Palm Sunday.
- b. Matthew to use a service from a New Zealand prayer book on Tuesday nights.
- c. Matthew to return to preaching a sermon during the Sunday services as opposed to the teachings he did during Ephiny Tide.
- d. Bishop Cook was asked to resign by the Diocese. She cannot perform any ministerial duties.
- e. The Episcopal Church has not been open about addictions.
- f. Episcopal priests have been asked to abstain from alcoholic beverages during the Lenten Season.

Next Vestry Meeting to be held March 12, 2015.

Meeting was adjourned at 8:00 p.m. with a prayer.

The Church of the Resurrection, Copley Parish Episcopal Church Endowment Fund Policies and Guidelines

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VESTRY RESOLUTION (to be adopted by the Vestry)

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Sets up the basic ground rules. Establishes the purposes of the fund and how it will operate. Creates the Endowment COMMITTEE and its composition, how often it will meet, reports required, etc. Puts in place fundamental principles, such as that the endowment will be managed as a “true endowment,” meaning the principal shall not be invaded. It also determines the spending policy for the endowment and how changes in the rules can be made.	

ENDOWMENT COMMITTEE POLICIES (to be developed by the COMMITTEE and ratified by the Vestry)

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them. Applies to all gifts, not just gifts to the endowment fund.

ENABLING RESOLUTION
ESTABLISHING A GENERAL ENDOWMENT FUND
FOR
THE CHURCH OF THE RESURRECTION, COPLEY PARISH EPISCOPAL
CHURCH
MARYLAND, USA

1 WHEREAS, Christian stewardship involves the faithful management of all of God’s gifts – time,
2 talent, the created world, and money, including accumulated, inherited and appreciated assets;
3 and

4 WHEREAS, Christians can give to the work of the Church through a variety of gift vehicles, in
5 addition to cash, including bequests in wills, life income gifts, annuities, trusts, life insurance
6 policies, real estate, securities and other assets; and

7 WHEREAS, it is the desire of this parish to encourage, receive and administer these gifts in a
8 manner faithful to the loyalty and devotion to God expressed by the donors and in accord with
9 the canons of the Episcopal Church and the Diocese of Maryland and the policies of this Parish:

10 THEREFORE BE IT RESOLVED, that this Parish, through action of its Vestry, establishes a
11 new and separate fund to be known as “The Endowment Fund” (hereafter called the “FUND”) of
12 The Church of the Resurrection, Copley Parish Episcopal Church, Bridge and Anchor Drives,
13 Joppa, Maryland, USA.

14 BE IT FURTHER RESOLVED that the purpose of the FUND ¹is to enable the PARISH to fulfill
15 its mission more completely by developing its ministries beyond what is possible through its
16 annual operating funds. Distributions from the fund therefore shall be limited to: (i) capital
17 improvements of the PARISH; (ii) outreach ministries and grants; (iii) seed money for new
18 ministries and special one-time projects; (iii) perpetual care of the cemetery; and (v) such other
19 purposes as are specifically designated by donors to the PARISH whose gifts are included in the
20 FUND.

21 BE IT FURTHER RESOLVED that the distributions from the FUND shall not be made to the
22 operating budget of the PARISH except to fulfill the purposes described above.²

23 BE IT FURTHER RESOLVED that an ENDOWMENT FUND COMMITTEE (hereafter called
24 the “COMMITTEE”) is hereby established. The COMMITTEE shall have oversight
25 responsibility of the FUND and its composition and duties are described in the following “Plan
26 of Operation,” which may be amended from time to time (see paragraph 13).

PLAN OF OPERATION

1. Composition of the COMMITTEE

27 The COMMITTEE shall consist of a minimum of three (3) and a maximum of five (5) regular
28 members³, all of whom shall be members in good standing of The Church of the Resurrection,
29 Copley Parish Episcopal Church. They shall be appointed by the Vestry. Additionally, the Rector
30 and Rector's Warden shall be ex-officio members of the COMMITTEE without votes. No
31 member of the COMMITTEE shall be a current member of the Vestry or employed by the
32 parish. Except as herein limited, the term of each appointed member shall be three (3) years.
33 The Vestry will stagger the terms of members to maximize continuity over time. No member
34 shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year,
35 former COMMITTEE members may be reappointed. In the event of a vacancy on the
36 COMMITTEE, the Vestry shall appoint a member to complete the unfulfilled term. Upon the
37 completion of the term, that person would be eligible for reappointment to a normal three (3)
38 year term.

2. Roles of the COMMITTEE⁴

39 The COMMITTEE will manage the invested funds and oversee distributions from the FUND in
40 compliance with the approved Spending Rule (*Section B*) and in accordance with the purposes and
41 distribution policies defined in this resolution.

3. Frequency of Meetings

42 The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best
43 interest of the FUND.

4. Quorum

44 A quorum shall consist of a majority of the COMMITTEE. The affirmative vote of a majority
45 shall be necessary to carry any motion or resolution. Ex-officio members are not credited to the
46 above requirement for a quorum.

5. Officers and Duties

47 The COMMITTEE shall elect from its membership a chairperson and a secretary. The
48 chairperson, or member designated by the chairperson, shall preside at all COMMITTEE
49 meetings. The secretary shall maintain complete and accurate minutes of all meetings of the
50 COMMITTEE and supply a copy thereof to each member of the COMMITTEE. Each member shall
51 keep a complete set of minutes to be delivered to his or her successor. The secretary shall also
52 supply a copy of the minutes to the Vestry in a timely manner. The Treasurer⁵ of the church
53 shall maintain complete and accurate books of account for the FUND. The books will be audited
54 as part of the parish annual audit.

6. Reports

55 The COMMITTEE shall report on a quarterly basis to the Vestry and, at each annual meeting of
56 the congregation shall render a full and complete account of the administration of the FUND
57 during the preceding year.

7. Professional Counsel

58 The COMMITTEE, at the expense of the FUND, may provide for such auditing, professional
59 counseling on investments or legal matters as it deems to be in the best interests of the FUND.

8. Investments

60 All funds will be invested in accordance with the investment guidelines established in the
61 Investment Policy Statement (*Section A*).

9. Funds for Specific Purposes

62 At the discretion of the Vestry, the COMMITTEE may establish sub-funds within the FUND for
63 specific purposes.⁶

64 Also, donors may designate their gifts for a specific purpose. Any donor-designated gifts must
65 be approved by the COMMITTEE and the Vestry. They must meet the requirements of the
66 Donor Designated Fund Policy (*Section D*).

10. Liability of COMMITTEE Members

67 Each member of the COMMITTEE shall act in good faith regarding the investment of the
68 assets. Each member shall be liable only for his/her own conduct and shall not be liable for the
69 acts or omissions of any other members. No member shall engage in self dealing or transactions
70 with the FUND in which the member has direct or indirect financial interest and shall at all times
71 refrain from any conduct in which his/her personal interests would conflict with the interests of
72 the FUND.

11. Holding of Assets, Action to Sell

73 All assets are to be held in the name of the Endowment Fund of The Church of the Resurrection,
74 Copley Parish Episcopal Church. Actions to hold, sell, exchange, rent, lease, transfer, convert,
75 invest, reinvest, and in all other
76 respects, to manage and control the assets of the FUND, including stocks, bonds, mortgages,
77 notes, warrants of other securities, are to be made by a delegated member of the COMMITTEE
78 on behalf of the COMMITTEE.

12. Acceptance of Gifts to the Endowment Fund

79 In the absence of a Gift Acceptance Policy of the Parish, the COMMITTEE will establish a Gift
80 Acceptance Policy (*Section E*) through which decisions will be made as to whether a gift to the
81 FUND or to the Parish shall be accepted.

13. Distributions from the Fund

82 It is the intent of this resolution that the FUND shall be managed in perpetuity as a true
83 endowment. BE IT FURTHER RESOLVED that the distributions from the FUND shall not be
84 made to the operating budget of the Parish except to fulfill the purposes described in this
85 resolution with one exception. In the event that the parish is in dire circumstances, meaning its
86 viability as a continuing church is in jeopardy, the Vestry may use both income and principal of
87 the *unrestricted* endowment for the operating needs of the Parish following a two-thirds vote of
88 the Vestry at two successive meetings and a two-thirds vote of the full congregation at a regular
89 or specially called meeting.

90 Distributions from the FUND shall be made using a “Total Return Policy” that incorporates a
91 designated percentage of the corpus which will be available for expenditure annually. The
92 COMMITTEE shall formulate a policy defining the spending rules and protocols (*Section B*) with
93 the approval of the Vestry. The policy will provide for the withdrawal and use of funds
94 consistent with the stated purposes of the FUND as defined in the first section of this
95 Resolution. No portion of the FUND shall be “borrowed” including any “temporary usage” for
96 other needs of the Parish.

97 *Note: A true endowment is established if a donor makes a gift and restricts it to the*
98 *Endowment Fund, often defining its use. If the church promotes its Endowment Fund and*
99 *receives gifts of any size for the Fund, those funds are equally restricted. If a purpose is*
100 *announced and donors give to an Endowment Fund for a named purpose, the funds are*
101 *restricted as to purpose as well. If the church receives an unrestricted bequest that is placed in*
102 *the Endowment Fund, or if the Vestry decides to put excess funds into the Endowment, those*
103 *funds remain unrestricted. This part of the Endowment Fund can be spent down by the Vestry*
104 *within the established distribution rules. This is considered a “quasi” or unrestricted*
105 *endowment.*

14. Amendment of this Resolution

106 Any amendment to this Resolution shall be adopted by a vote of at least two-thirds (2/3) of the
107 membership of the Vestry at two consecutive, regularly scheduled meetings. Any amendment
108 regarding the use of the corpus of the unrestricted endowment shall be handled within the above-
109 established distribution rules.

15. Disposition or transfer of FUND

110 In the event the PARISH ceases to exist, whether through merger, dissolution, or some other
111 event, disposition or transfer of the FUND shall be at the discretion of the Vestry in conformity
112 with the approved congregational constitution and in accord with diocesan canons and the
113 Bishop of the Diocese of Maryland, USA. It may be appropriate to consult with the Episcopal
114 Church Foundation to determine the manner in which Fund obligations will be met after the
115 PARISH ceases to exist.

116 The foregoing resolution is hereby adopted by the Vestry this _12th___ day of
117 February____, 2015.

118 The Church of the Resurrection, Copley Parish Episcopal Church
119 Maryland, USA

Attest:

120 _____ Stephen Franzoni _____ (print name)

121 _____

122 _____ (signature) _____ Linda

123 Bullock _____

124 Senior Warden

Clerk

ENDOWMENT FUND POLICIES AND GUIDELINES
FOR
THE CHURCH OF THE RESURRECTION, COPLEY PARISH EPISCOPAL
CHURCH
MARYLAND, USA

SECTION A
Investment Policy Statement

Purpose

125 This Investment Policy Statement establishes the philosophy, guidelines and investment
126 objectives for managing the investments of the FUND.

Responsibility

127 The ultimate responsibility for managing the FUND resides with the Vestry which has chosen to
128 delegate portions of its responsibility to the COMMITTEE, which will administer the portfolio
129 of the FUND in accordance with these guidelines, as adopted and amended from time to time.
130 These guidelines shall be reviewed at least annually by the COMMITTEE to determine whether
131 they should be amended or remain unchanged. The COMMITTEE may choose to employ an
132 outside investment manager.

Objectives

133 The assets of the FUND are to be invested with the same care, skill and diligence that a prudent
134 investor would exercise in investing institutional endowment funds. The primary objective will
135 be to provide long-term growth of principal and income without undue exposure to risk.

INVESTMENT GUIDELINES

Time Horizon

136 The FUND'S investment objectives and strategic asset allocation are based on a long-term time
137 horizon.

Risk Tolerance:

138 Because of its long-term time horizon, the FUND can tolerate some interim fluctuation in market
139 value and rates of return in order to achieve its objectives. High level risk, high volatility and
140 low quality rated securities, however, are to be avoided.

Prohibited Investments:

141 The COMMITTEE shall not invest in private placement, restricted stock or other illiquid issues,
142 commodities' futures, arbitrage and other uncovered options, and shall not engage in short sales,
143 margin transactions or other similar specialized investment activities; however, the use of funds
144 that use these investment activities in a constructive manner are permitted.

Portfolio Diversification:

145 The investment objectives should be achieved through a diversified portfolio, which may include
146 but is not limited to, large-cap, mid-cap, small-cap U.S equities, international equities (both
147 developed and emerging markets), bonds and cash. Mutual funds, common trust funds, exchange
148 traded funds, and notes representing any of these asset classes may be used.

Investment Discretion:

149 These guidelines are not intended to restrict or impede the efforts of the COMMITTEE to attain
150 the FUND’s objectives, nor are they intended to exclude the COMMITTEE from taking
151 advantage of appropriate opportunities as they arise. The COMMITTEE shall have discretion
152 and flexibility to implement the objectives and policies herein set forth.

Asset Allocation

153 Because securities markets may vary greatly throughout a market cycle, the COMMITTEE may
154 change the asset mix of the FUND within the following ranges as long as that mix meets the
155 overall objectives and is consistent with the policy guidelines herein set forth. The FUND shall
156 be allocated between equity investments and bonds and/or other fixed income securities.

157 The strategic target allocation shall be within the following ranges:⁷

	<u>Low</u>	<u>Target</u>	<u>High</u>
160 EQUITIES:	20%	40%	50%
161 FIXED INCOME:	50%	60%	80%
162 CASH:	0%	0%	20%

163 The target allocation among equity classes shall be determined periodically (and at least
164 annually) by the COMMITTEE in consultation with the investment manager(s) to reflect a
165 prudent response to current market conditions.

Investment Goals

166 While maintaining the asset mix within the above guidelines, the COMMITTEE accepts a risk
167 level for the FUND’s overall investment program that is intended to produce a total annual return
168 adequate to cover these components: expenditures from the FUND (as determined annually by
169 the COMMITTEE under the Spending Rule Policy), inflation and growth of the FUND.

Reporting

170 The quarterly report provided by the COMMITTEE to the Vestry will include the fund value,
171 any changes in the asset allocation strategy, and the investment performance. The report shall
172 reflect compliance with the objectives, policies and guidelines set forth herein.

SECTION B
Spending Rule Policy

173 Money will be distributed from the FUND upon written request of the Vestry and with the
174 approval of the COMMITTEE for those uses which conform to the purposes and restrictions
175 established by donors or incorporated in the Enabling Resolution.

176 Funds available for distribution will be determined by using a total return principle, i.e., return
177 derived from dividends and interest as well as realized and unrealized capital gains.⁸ The funds
178 available for distribution during any one year will be limited to a percentage of the market value
179 of the corpus that is based on a three-year rolling average,⁹ with measures taken at the end of
180 each of the preceding twelve quarters. The market value for this purpose will be taken net of the
181 fees for investment management.

182 The percentage of the FUND made available for distribution shall be determined each year by
183 the COMMITTEE and will normally fall in the range of three to five percent. In so doing, market
184 performance of the portfolio will be an important consideration. It will be the goal of the
185 COMMITTEE to grow, or at least maintain, the purchasing power of the FUND taking
186 inflationary effects into account.

187 Any unexpended funds from those available for distribution in a given year will be accrued and
188 will continue to be considered available for distribution in subsequent years unless otherwise
189 designated by action of the COMMITTEE with the approval of the Vestry. Expenses related to
190 the management and administration of the FUND will be deducted from the funds available for
191 distribution.

SECTION C *Disposition of Bequests Policy*

192 This policy statement governs the disposition of *bequests* which, for purposes of this statement,
193 will mean any type of gift in which the assets are transferred upon the death of the donor. The
194 assets may be in any form, such as cash, securities, personal property, real property, etc.

195 The bequest may identify the beneficiary in one of two general ways: *The Church of the*
196 *Resurrection, Copley Parish Episcopal Church of the Episcopal Diocese of Maryland* or some
197 other wording such as
198 *The Church of the Resurrection, Copley Parish Church, Maryland, USA*; or *The Endowment*
199 *Fund of The Church of the Resurrection, Copley Parish Episcopal Church* or similar wording.

200 Bequests with **The Church of the Resurrection, Copley Parish Episcopal Church** as
201 beneficiary can be of two general types:

202 **a. Restricted:** The donor has identified a specific purpose(s) to which the funds should be
203 directed. The Vestry will guarantee that the use(s) to which those funds are applied is faithful to
204 the donor's wishes. The funds may be directed to their designated purpose(s) either as an
205 endowment, in which case they normally would become a designated fund within the
206 Endowment Fund, or by direct expenditure of the funds through the Treasurer of the Parish.

207 **b. Unrestricted:** The expectation is that such a bequest will be transferred to the Endowment
208 Fund. Such transfers are intended to be held in perpetuity. This policy specifically
209 acknowledges that from time to time truly extraordinary needs of the parish may arise to
210 necessitate an exception to this policy.

211 In such instances the following procedure will apply:

212 The Rector and Rector's Warden of the Parish will assess the particular circumstances giving rise
213 to a perceived need to make an exception to the policy. Such circumstances should be judged to
214 be truly extraordinary and that no other financial resources of the Parish are available or are
215 expected to become available in time to fulfill the urgent need. If an exception is deemed
216 appropriate, the Rector and Rector's Warden will make a recommendation. Final authority for
217 granting such an exception to the policy will rest with the Vestry.

218 Bequests designating the **Endowment Fund** as beneficiary are automatically transferred to the
219 Endowment Fund upon receipt. If the bequest was given for a designated purpose, then the value
220 of the assets will be applied to establish a designated fund of the Endowment Fund, as provided
221 for in a separate policy. If the bequest to the Endowment Fund is otherwise undesignated, the
222 assets will be directed to that portion of the corpus of the Endowment Fund where earnings are
223 unrestricted.

SECTION D *Donor-Designated Fund Policy*

224 A separate and designated fund within the FUND may be established for gifts in the amount of
225 \$25,000¹⁰ or more. The Vestry must vote to accept the gift for the purpose(s) described by the
226 donor, or it has the responsibility to reject the gift.

227
228 If accepted, the assets are merged with other assets of the FUND for investment purposes, but the
229 identity and designated purpose of each fund is preserved individually.

230 The fund is established effective the last day of the quarter in which the gift is received. The
231 value is determined either by the actual value, if received by the FUND in cash, or the market
232 value of the assets determined on the date the fund is established.

233 Income, realized gains or losses, and unrealized gains or losses are allocated quarterly to each
234 fund based on its market value relative to the total market value of the FUND at the end of the
235 previous quarter. New gifts are then added and withdrawals are subtracted to arrive at the new
236 value of the designated fund on the last day of the quarter. Expenditures are limited to the
237 purposes specified in the designation and are governed by the FUND's Spending Rule.

SECTION E *Gift Acceptance Policy*

Purpose

238 This gift acceptance policy will provide guidelines to representatives of The Church of the
239 Resurrection, Copley Parish who may be involved in the acceptance of gifts, to outside advisors
240 who may assist in the gift planning process, and to prospective donors who may wish to make
241 gifts to the The Church of the Resurrection, Copley Parish. This policy is intended only as a
242 guide and allows for some flexibility on a case-by-case basis. The gift review *process* outlined
243 here, however, is intended to be followed closely.

Gift Review Committee

244 Any questions which may arise in the review and acceptance of gifts to The Church of the
245 Resurrection, Copley Parish will be referred to The Gift Review Committee. The Committee,
246 unless otherwise designated by the vestry, will be comprised of the full Endowment Fund
247 COMMITTEE.

Cash

- 248 1) All gifts by check shall be accepted by The Church of the Resurrection, Copley Parish
249 regardless of amount.
250 2) Checks shall be made payable to The Church of the Resurrection, Copley Parish. In no event
251 shall a check be made payable to an individual who represents The Church of the
252 Resurrection, Copley Parish or the church in any capacity.

Publicly Traded Securities

- 253 1) Readily marketable securities, such as those traded on a stock exchange, can be accepted by
254 The Church of the Resurrection, Copley Parish.
255 2) The value of the gift of securities is the average of the high and low prices on the date of the
256 gift.
257 3) A gift of securities to The Church of the Resurrection, Copley Parish is usually liquidated
258 immediately.

Closely Held Securities

- 259 1) Non-publicly traded securities may be accepted after consultation with the Gift Review
260 Committee. The fair market value will be the value used by the donor in the preparation of
261 the donor's tax return.
262 2) The Gift Review Committee will explore methods for liquidation of the securities through
263 redemption or sale **prior to acceptance**. The Gift Review Committee will try to determine:
264 a) Any restrictions on transfer
265 b) Whether and when an initial public offering might be anticipated
266 3) No commitment for repurchase of closely held securities shall be made prior to completion of
267 the gift of the securities.

Real Estate

- 268 1) Any gift of real estate must be reviewed by the Gift Review Committee.
269 2) Normally, the donor is responsible for obtaining and paying for an appraisal of the property.
270 The appraisal will be performed by an independent and professional agent.
271 3) The appraisal must be based upon a personal visitation and internal inspection of the property
272 by the appraiser. Also, whenever possible, it must show documented valuation of
273 comparable properties located in the same area.
274 4) The formal appraisal should contain photographs of the property, the tax map number, the
275 assessed value, the current asking price, a legal description of the property, the zoning status,
276 and complete information regarding all mortgages, liens, litigation or title disputes.
277 5) The Church of the Resurrection, Copley Parish reserves the right to require an environmental
278 assessment of any potential real estate gift.
279 6) The property must be transferred to The Church of the Resurrection, Copley Parish prior to
280 any formal offer or contract for purchase is made.
281 7) The donor may be asked to pay for all or a portion of the following:

- 282 a) Maintenance costs
- 283 b) Real estate taxes
- 284 c) Insurance
- 285 d) Real estate broker's commission and other costs of sale
- 286 e) Appraisal costs
- 287 8) For gift crediting and accounting purposes, the value of the gift is the appraised value of the
- 288 real estate. This value may be reduced, however, by the costs of maintenance, insurance, real
- 289 estate taxes, broker's commission and other expenses of sale.

Life Insurance

- 290 1) A gift of a life insurance policy must be referred to the Gift Review Committee.
- 291 2) The Church of the Resurrection, Copley Parish can be named a contingent beneficiary or the
- 292 beneficiary of a percentage of a life insurance policy
- 293 3) The vestry will accept **ownership** of a life insurance policy as a gift only if The Church of the
- 294 Resurrection, Copley Parish is named as the owner and beneficiary of 100% of the policy.
- 295 4) If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the
- 296 policy's replacement cost.
- 297 5) If the policy is partially paid-up, the value for gift crediting and accounting purposes is the
- 298 policy's cash surrender value. (For IRS purposes, the donor's charitable income tax deduction is
- 299 equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash
- 300 surrender value.)

Tangible Personal Property

- 301 1) Any gift of tangible personal property shall be referred to the Gift Review Committee prior
- 302 to acceptance.
- 303 2) Gifts of jewelry, artwork, collections, equipment and software shall be assessed for their
- 304 value to The Church of the Resurrection, Copley Parish. Their value may be realized either
- 305 by being sold or used in connection with the parish's exempt purpose.
- 306 3) Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked
- 307 to determine its value.
- 308 4) The Church of the Resurrection, Copley Parish shall adhere to all IRS requirements relating
- 309 to valuation and disposition of gifts of tangible personal property and will provide
- 310 appropriate forms to the donor and IRS.

Deferred Gifts

- 311 1) The Church of the Resurrection, Copley Parish encourages deferred gifts in its favor through
- 312 any of a variety of vehicles:
- 313 a) Charitable gift annuity (or deferred gift annuity)
- 314 b) Pooled income fund
- 315 c) Charitable remainder trust
- 316 d) Charitable lead trust
- 317 e) Bequest
- 318 f) Retained life estate
- 319 2) The Church of the Resurrection, Copley Parish (or its agent) shall not act as an executor
- 320 (personal representative) for a donor's estate. A member of the parish staff serving as
- 321 personal representative for a member of the parish does so in a personal capacity and not as
- 322 an agent of the parish.

- 323 3) The Church of the Resurrection, Copley Parish (or its agent) shall not act as trustee of any
324 charitable remainder trust.
- 325 4) The Church of the Resurrection, Copley Parish may invite prospective donors to consider gift
326 vehicles offered by The Episcopal Church Foundation (specifically, Charitable Remainder
327 Trusts, Charitable Gift Annuities and the Pooled Income Fund).
- 328 5) When donors are provided planned gift illustrations or form documents, these will be
329 provided free of charge. For any planned gift related documents, materials, illustrations,
330 letters or other correspondence, the following disclaimer should be included:

331 ***The Church of the Resurrection, Copley Parish strongly urges you to consult with your***
332 ***attorney, financial and/or tax advisor to review this information provided to you***
333 ***without charge or obligation. This information in no way constitutes legal or financial***
334 ***advice.***

- 335 6) All information obtained from or about donors/prospects shall be held in the strictest
336 confidence by The Church of the Resurrection, Copley Parish staff and volunteers. Neither
337 the name, the amount, nor the conditions of any gift shall be published without the express
338 written or oral approval of the donor and/or beneficiary.
- 339 7) The Church of the Resurrection, Copley Parish will seek qualified professional counsel in the
340 exploration and execution of all planned gift agreements. The parish recognizes the right of
341 fair and just remuneration for professional services.
- 342 8) The Vestry, upon the advice of the Gift Review Committee, reserves the right to
343 decline any gift that does not further the mission of the parish. Also, any gifts that would
344 create an administrative burden or cause the parish to incur excessive expenses may be
345 declined.

¹ The purposes can be adapted to your church's particular circumstances; however, you want to be specific enough to give donors a clear sense of how the funds will be used, but at the same time general enough to allow future vestries to respond to the needs of their time.

² Using the return from endowment funds for annual operating expenses can cause a number of problems. If the only purpose of the endowment fund is to supplement the annual operating budget of the church, it often has a corrosive influence on annual stewardship and saps the vitality of the church's mission. If the annual budget depends upon the endowment to make ends meet, in years of market decline there will be budget shortfalls or a strong temptation to dip into endowment principal.

³ Smaller churches may have a COMMITTEE of three members. The important principle embedded in the suggested COMMITTEE composition is to appoint members who do not have the responsibility of balancing the annual budget. There is an intentional check and balance between short-term and long-term interests built into this structure.

⁴ The endowment COMMITTEE manages the investments, oversees distribution of the funds for the purposes agreed upon, and makes sure that the rules are followed, but does not determine specifically how the funds will be used. That is a vestry decision.

⁵ Often the treasurer of the church serves as treasurer of the endowment fund; however, the best practice would be for the endowment fund to have its own treasurer.

⁶ Some endowment funds establish sub-accounts or “pockets” within the endowment to encourage donor interest, such as funds for outreach, scholarships, music, Christian education, etc. While these may encourage donor interest they also restrict the use of the funds for specific purposes which over time may or may not conform to the current needs of the church.

⁷ The COMMITTEE, usually in consultation with their investment advisor, establishes a target asset allocation between equities and fixed income and ranges for each based on time horizon, risk tolerance, annual spending rule, and market conditions among other factors. A more detailed IPS will set ranges for sub-asset classes as well. The target and ranges shown here are for illustration only.

⁸ A “total return” spending policy establishes value based on income, dividends, **and** capital appreciation (depreciation). An “income only” policy considers only the interest earned and dividends paid.

⁹ Some churches use a five-year rolling average to smooth out the ups and downs of the market. Churches just starting out that do not have a multi-year average sometimes apply their spending rule to 90% of the first year’s net average value.

¹⁰ The minimum gift required to establish a donor-designated fund can be higher or lower than the \$25,000 listed here. The purpose of the minimum is to avoid accepting multiple small gifts that are restricted by the donor and which require separate accounting.