

Approved by the vestry February 11, 2015

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

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

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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<sup>1</sup> is 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.<sup>2</sup>

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

### 2. Roles of the COMMITTEE<sup>4</sup>

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  
50 the COMMITTEE and supply a copy thereof to each member of the COMMITTEE. Each  
51 member shall keep a complete set of minutes to be delivered to his or her successor. The  
52 secretary shall also supply a copy of the minutes to the Vestry in a timely manner. The  
53 Treasurer<sup>5</sup> of the church shall maintain complete and accurate books of account for the  
54 FUND. The books will be audited 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  
56 of the congregation shall render a full and complete account of the administration of the  
57 FUND 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  
60 FUND.

**8. Investments**

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

**9. Funds for Specific Purposes**

63 At the discretion of the Vestry, the COMMITTEE may establish sub-funds within the FUND for  
64 specific purposes.<sup>6</sup>

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

**10. Liability of COMMITTEE Members**

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

**11. Holding of Assets, Action to Sell**

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

**12. Acceptance of Gifts to the Endowment Fund**

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

### 13. Distributions from the Fund

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

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

98 *Note: A true endowment is established if a donor makes a gift and restricts it to the Endowment*  
99 *Fund, often defining its use. If the church promotes its Endowment Fund and receives gifts of any*  
100 *size for the Fund, those funds are equally restricted. If a purpose is announced and donors give*  
101 *to an Endowment Fund for a named purpose, the funds are restricted as to purpose as well. If the*  
102 *church receives an unrestricted bequest that is placed in the Endowment Fund, or if the Vestry*  
103 *decides to put excess funds into the Endowment, those funds remain unrestricted. This part of the*  
104 *Endowment Fund can be spent down by the Vestry within the established distribution rules. This*  
105 *is considered a "quasi" or unrestricted 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  
111 other event, disposition or transfer of the FUND shall be at the discretion of the Vestry in  
112 conformity with the approved congregational constitution and in accord with diocesan  
113 canons and the Bishop of the Diocese of Maryland, USA. It may be appropriate to consult  
114 with the Episcopal Church Foundation to determine the manner in which Fund obligations  
115 will be met after the 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 \_\_\_\_\_ (signature) Linda Bullock  
122 Senior Warden Clerk

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

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**SECTION A**  
*Investment Policy Statement*

**Purpose**

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

**Responsibility**

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

**Objectives**

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

**INVESTMENT GUIDELINES**

***Time Horizon***

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

***Risk Tolerance:***

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

***Prohibited Investments:***

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



**Portfolio Diversification:**

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

**Investment Discretion:**

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

**Asset Allocation**

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

155 The strategic target allocation shall be within the following ranges:<sup>7</sup>

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

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

**Investment Goals**

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

**Reporting**

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

**SECTION B**  
***Spending Rule Policy***

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

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

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

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

### SECTION C *Disposition of Bequests Policy*

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

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

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

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

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

209 In such instances the following procedure will apply:

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

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

#### **SECTION D** ***Donor-Designated Fund Policy***

222 A separate and designated fund within the FUND may be established for gifts in the amount of  
223 \$25,000<sup>10</sup> or more. The Vestry must vote to accept the gift for the purpose(s) described by the  
224 donor, or it has the responsibility to reject the gift.  
225

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

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

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

#### **SECTION E** ***Gift Acceptance Policy***

##### **Purpose**

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

##### **Gift Review Committee**

242 Any questions which may arise in the review and acceptance of gifts to The Church of the  
243 Resurrection, Copley Parish will be referred to The Gift Review Committee. The Committee,

244 unless otherwise designated by the vestry, will be comprised of the full Endowment Fund  
245 COMMITTEE.

#### **Cash**

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

#### **Publicly Traded Securities**

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

#### **Closely Held Securities**

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

#### **Real Estate**

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

- 284 e) Appraisal costs  
285 8) For gift crediting and accounting purposes, the value of the gift is the appraised value of the  
286 real estate. This value may be reduced, however, by the costs of maintenance, insurance, real  
287 estate taxes, broker's commission and other expenses of sale.

### **Life Insurance**

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

### **Tangible Personal Property**

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

### **Deferred Gifts**

- 309 1) The Church of the Resurrection, Copley Parish encourages deferred gifts in its favor through  
310 any of a variety of vehicles:  
311 a) Charitable gift annuity (or deferred gift annuity)  
312 b) Pooled income fund  
313 c) Charitable remainder trust  
314 d) Charitable lead trust  
315 e) Bequest  
316 f) Retained life estate  
317 2) The Church of the Resurrection, Copley Parish (or its agent) shall not act as an executor  
318 (personal representative) for a donor's estate. A member of the parish staff serving as  
319 personal representative for a member of the parish does so in a personal capacity and not as  
320 an agent of the parish.  
321 3) The Church of the Resurrection, Copley Parish (or its agent) shall not act as trustee of any  
322 charitable remainder trust.  
323 4) The Church of the Resurrection, Copley Parish may invite prospective donors to consider gift  
324 vehicles offered by The Episcopal Church Foundation (specifically, Charitable Remainder  
325 Trusts, Charitable Gift Annuities and the Pooled Income Fund).

326 5) When donors are provided planned gift illustrations or form documents, these will be  
327 provided free of charge. For any planned gift related documents, materials, illustrations,  
328 letters or other correspondence, the following disclaimer should be included:

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

333 6) All information obtained from or about donors/prospects shall be held in the strictest  
334 confidence by The Church of the Resurrection, Copley Parish staff and volunteers. Neither  
335 the name, the amount, nor the conditions of any gift shall be published without the express  
336 written or oral approval of the donor and/or beneficiary.

337 7) The Church of the Resurrection, Copley Parish will seek qualified professional counsel in the  
338 exploration and execution of all planned gift agreements. The parish recognizes the right of  
339 fair and just remuneration for professional services.

340 8) The Vestry, upon the advice of the Gift Review Committee, reserves the right to  
341 decline any gift that does not further the mission of the parish. Also, any gifts that would  
342 create an administrative burden or cause the parish to incur excessive expenses may be  
343 declined.

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

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<sup>7</sup> 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.

<sup>8</sup> 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.

<sup>9</sup> 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.

<sup>10</sup> 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.