

VESTRY RESOLUTION

CONCERNING

ST. JOHN'S EPISCOPAL CHURCH ENDOWMENT FUND

St. John's Episcopal Church Endowment Fund (hereafter called the "FUND") was established in 1999 to enable the Parish to fulfill its mission more completely than would be possible solely through its annual operating funds. The Vestry has adopted this Resolution to confirm and/or update the Plan of Operation for the FUND.

Christian stewardship involves the faithful management of all God's gifts – time, talent, the created world, and treasure. Treasure may come in many forms including, for example, annual giving/pledging, capital giving and "planned" giving. The FUND has been established primarily to administer planned giving - significant gifts by people looking to provide a lasting gift to St. John's. These may include, for example, accumulated, inherited and appreciated assets, in forms such as gifts of cash, bequests in wills, annuities, trusts, life insurance, real estate, securities, etc. It is the desire of this Parish to encourage, receive and administer these gifts in a manner faithful to the loyalty and devotion to God expressed by the donors and in accord with the canons of the Episcopal Church and the Diocese of New York and the policies of this Parish.

The following Purpose Statement has been adopted to govern the administration of gifts designated for the FUND:

Purpose Statement

The purpose of St. John's Episcopal Church Endowment Fund is to provide a lasting legacy that will be used for the long term benefit of the Church and its religious mission.

We aspire to this goal through:

- *Thoughtful and prayerful discernment regarding to the use of the resources that have been entrusted into our care by God and those who have gone before us.*
- *Restricting the use of this FUND to projects that will:*
 - *significantly enhance St. John's buildings and grounds;*
 - *establish or expand an Outreach/Mission project specifically attached to St. John's;*
 - *respond to a catastrophic event that either harms or destroys the physical plant; or*
 - *fulfills purposes specifically designated by donors to the FUND.*

We recognize that while nothing in this world is eternal, we seek to pass on to future generations a legacy that will inspire them to do the work God has given us to do.

PLAN OF OPERATION

1. Endowment Committee

The Vestry shall appoint an Endowment Committee (hereafter, the COMMITTEE), which shall have oversight responsibility of the FUND. It will manage the invested funds and oversee distributions from the FUND in compliance with approved spending rules and in accordance with the purposes and distribution policies defined in this resolution. (However, the Vestry retains responsibility for determining specifically how the funds will be used.)

Membership of the COMMITTEE, appointed by the Vestry, shall consist of a minimum of four (4) and a maximum of six (6) regular members, all of whom shall be members in good standing of St. John's Episcopal Church. They shall include a Chairperson and a Vestry Liaison, both named by the Vestry. The Vestry Liaison shall be appointed annually. No member of the COMMITTEE, other than the Vestry Liaison, shall be a current member of the Vestry or employed by St. John's. All other members shall serve a term of three (3) years. Annually, the Vestry will also appoint a Treasurer of the FUND, who may also be a member of the COMMITTEE. The terms of members should be staggered to maximize continuity over time. No member shall serve more than two (2) consecutive three (3) year terms. After a lapse of one (1) year, former COMMITTEE members may be reappointed. In the event of a vacancy on the COMMITTEE, the Vestry shall appoint a member to complete the unfulfilled term. Upon the completion of that term, that person would be eligible for reappointment. Additionally, the Rector and Wardens shall be ex-officio members of the COMMITTEE, without votes.

The Chairperson, or member designated by the Chairperson, shall preside at all COMMITTEE meetings. The Chairperson shall appoint from the membership a Secretary who shall maintain complete and accurate minutes of all meetings of the COMMITTEE and supply a copy thereof to each member, who shall keep a complete set of minutes to be delivered to his or her successor. The Secretary shall also supply a copy of the minutes to the Vestry in a timely manner. The Treasurer shall maintain complete and accurate books of account for the FUND. The books will be audited as part of the annual audit of the Parish.

The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best interest of the FUND. A quorum shall consist of a majority of the COMMITTEE. The affirmative vote of a majority shall be necessary to carry any motion or resolution. Ex-officio members are not credited to the above requirement for a quorum.

2. Reports

The COMMITTEE shall report on a quarterly basis to the Vestry and, at each annual meeting of the congregation, shall render a full and complete account of the administration of the FUND during the preceding year. The quarterly report provided to the Vestry will include the FUND values, any changes in the asset allocation strategy, and the investment performance. The report shall reflect compliance with the objectives, policies and guidelines set forth herein. At the request of the Vestry, the COMMITTEE shall also determine a prudent amount which can be

made available for distribution during the current year and shall provide guidance on whether any unexpended funds from those available should be accrued and considered available for distribution in subsequent years or should be returned to the corpus.

In addition, the COMMITTEE shall provide the Vestry, at least annually, a statement of Endowment Fund Policies and Guidelines for approval.

3. Professional Counsel

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

4. Investments

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

The FUND'S investment objectives and strategic asset allocation shall be based on a long-term time horizon and should be achieved through a diversified portfolio. The FUND can tolerate some interim fluctuation in market value and rates of return in order to achieve its objectives. However, high level risk, high volatility and low quality rated securities are to be avoided. These guidelines are not intended to restrict or impede the efforts of the COMMITTEE to attain the FUND's objectives, nor are they intended to exclude the COMMITTEE from taking advantage of appropriate opportunities as they arise. The COMMITTEE shall have discretion and flexibility to implement the objectives and policies herein set forth.

5. Gifts for Specific Purposes

Donors may designate their gifts for a specific purpose. Any donor-designated gifts must be approved by the COMMITTEE and the Vestry. The COMMITTEE shall establish a policy regarding requirements for donor designated gifts as part of its Endowment Fund Policies and Guidelines.

Also, at the discretion of the Vestry, the COMMITTEE may establish sub-funds within the FUND for specific purposes.

6. Liability of COMMITTEE Members

Each member of the COMMITTEE shall act in good faith regarding the investment of the assets. Each member shall be liable only for his/her own conduct and shall not be liable for the acts or omissions of any other members. No member shall engage in self dealing or transactions

with the FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interests of the FUND. Liability and other insurance coverages for members of the COMMITTEE equal to coverages for members of the Vestry will be provided.

7. Holding of Assets, Action to Sell

All FUND assets are to be held in the name of St. John's Episcopal Church Endowment Fund. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects, to manage and control the assets of the FUND, including mutual funds, stocks, bonds, mortgages, notes, warrants of other securities, are to be made by a delegated member or Treasurer of the COMMITTEE on behalf of the COMMITTEE.

8. Acceptance of Gifts to the Endowment Fund

As part of its Endowment Fund Policies and Guidelines, the COMMITTEE will establish a Gift Acceptance Policy through which decisions will be made as to whether a gift to the FUND shall be accepted.

9. Distributions from the FUND

Distributions from the FUND will only be made for purposes consistent with the Purpose Statement herein. Distributions shall not be used for normal operating expenses, routine maintenance, foreseeable maintenance, routine or modest outreach, or in violation of restrictions established by donors.

It is the intent of this Resolution that the FUND shall be managed in perpetuity as a true endowment. Distributions from the FUND shall not be made to the operating budget of the Parish except to fulfill the purposes described in this Resolution with one exception. In the event that the Parish is in dire circumstances, meaning its viability as a continuing church is in jeopardy, the Vestry may use both income and principal of the unrestricted endowment for the operating needs of the Parish following a two-thirds vote of the Vestry at two successive meetings and a two-thirds vote of the congregation present at a duly noticed regular or specially called meeting.

Distributions from the FUND shall be made using a "Total Return Policy" that incorporates a designated percentage of the corpus which will be available for expenditure annually. The COMMITTEE shall formulate a policy defining the spending rules and protocols within the Policies and Guidelines. The policy will provide for the withdrawal and use of funds consistent with the stated purposes of the FUND as defined in this Resolution. No portion of the FUND shall be "borrowed" including any "temporary usage" for other needs of the Parish.

10. Governing Law

The FUND shall be operated in accordance with the laws of New York State.

11. Amendment of this Resolution

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

12. Disposition or transfer of FUND

In the event the Parish ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the FUND shall be at the discretion of the Vestry in conformity with the approved congregational By-Laws and in accord with diocesan canons and the Bishop of the Diocese of New York.

The foregoing resolution is hereby adopted by the Vestry this ____ day of _____, 2012.

St. John’s Episcopal Church
New City, New York 10956

	(print name)		Attest:
	(signature)		
Senior Warden			Clerk