**The Episcopal Church of the Holy Comforter**

**Burlington, North Carolina**

**Endowment Fund**

**Policies and Guidelines**

**ADOPTED – MAY 8, 2023**

**TABLE OF CONTENTS**

**VESTRY RESOLUTION**

**Enabling Resolution …………………………………………………………………………. 2**

Sets up the plan of operation. Establishes the purposes of the fund and how it will operate. Creates the Endowment Fund BOARD 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 FUND BOARD POLICIES**

**Section A: *Investment Policy Statement* ………………………………….……………… 7**

 Describes the board’s general investment goals and objectives,
 risk tolerance, and target asset allocation.

**Section B: *Spending Rule Policy*……………………………………..……….………….. 9**

 Sets up a formula that determines how the funds available for distribution
 will be calculated and spent.

**Section C: *Donor-Designated Funds Policy* ………………………….….….…………... 10**

 Sets a minimum for any donor-designated funds and defines how they
 will be managed.

**Section D: *Disposition of Bequests Policy*……………………………….………………. 10**

 Establishes in advance how the parish will handle bequests.

**Section E: *Gift Acceptance Policy* ……………………………………..….……………... 11**

Defines the types of gifts the parish may receive and how it will

handle them. This applies to all gifts, not just gifts to the endowment fund.

**Appendix A**: ***Original Authorizing Resolutions ……………………………………………* 15**

**Appendix B: *Approved Endowment Current Sub-funds* ………………………………….. 16**

**Appendix C: *Current Outside Investment Manager…………..*………………………….... 16**

**ENABLING RESOLUTION**

**ESTABLISHING A GENERAL ENDOWMENT FUND**

**for
The Episcopal Church of the Holy Comforter**

**Burlington, NC**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

WHEREAS, Christian stewardship involves the faithful management of all of the gifts God has given humankind - time, talents, the created world, and money, including accumulated, inherited and appreciated assets; and

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

WHEREAS, it is the desire of the Vestry of The Church of the Holy Comforter, Burlington, NC to encourage, receive and administer all 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 North Carolina and the policies of this parish:

THEREFORE BE IT RESOLVED, that this parish, through action of its Vestry, establishes a separate fund to be known as “The Endowment Fund” (hereafter called the “FUND”) of The Episcopal Church of the Holy Comforter, 320 East Davis Street, Burlington, North Carolina 27215 (hereafter called the “PARISH”). These resolutions replace the resolution dated December 20, 2004, creating the Endowment Fund Program and all subsequent amendments.

BE IT FURTHER RESOLVED that the purpose of the FUND is to enable the PARISH to fulfill its mission more completely by developing its ministries beyond what is possible through its annual operating funds. Distributions from the FUND therefore shall be limited to: (i) outreach ministries grants, and gifts; (ii) seed money for new ministries; (iii) special one-time projects and special one-time outreach and mission projects; (iv) specific capital needs of Parish; (v) such other purposes as are specified in the Endowment Fund Policies and Guidelines, and (vi) such other purposes as are specifically designated by donors to the PARISH whose gifts are included in the FUND.

BE IT FURTHER RESOLVED that distributions from the FUND shall not be used to replace, maintain, supplement, or subsidize the operating budget of the PARISH except to fulfill the purposes described above, or except for extraordinary emergency situations formally declared by the Vestry and as set forth in FUND policy concerning use and distributions of proceeds.

BE IT FURTHER RESOLVED that the ENDOWMENT FUND BOARD (hereafter called the “BOARD”) shall be the custodian for the FUND and shall have the responsibility for administering and managing all aspects of the FUND as described in the “Plan of Operation,” which may be amended from time to time.

**PLAN OF OPERATION**

1. **Composition of the Endowment Fund Board**

The BOARD shall consist of seven (7) members, each of whom shall be an enrolled adult communicant in good standing of the Parish. The Vestry shall appoint five members, and two members will be ex-officio members. The two ex-officio members shall be the Rector and the Senior Warden of the Vestry, and these two members shall have no voting rights. Except as herein limited, the terms of each elected Board member shall be for three (3) years, a year being defined as the twelve-month period beginning January 1 and ending on December 31 of the subsequent calendar year. Upon adoption of the original resolution, the Vestry appointed members as follows: two (2) members for a term of three (3) years; one (1) member for a term of two (2) years and one (1) member for a term of one (1) year. Thereafter, the Vestry shall approve the recommendations for appointment set forth by the BOARD no later than the first meeting of the Vestry immediately following January 1st of each year. No elected member shall serve more than two consecutive three-year terms. After a lapse of one-year, former BOARD members may be re-elected.

1. **Resignation or Removal**

Any regular member of the BOARD may resign at any time by written notice to the BOARD. A member who is no longer a member in good standing of Holy Comforter may no longer be a member of the Fund Board. A member who fails to attend three consecutive meetings without reason may be asked to resign.

In the event of a vacancy on the BOARD, the BOARD, with Vestry approval, shall appoint a member to complete the unfilled term, upon the completion of which that person would be eligible for re-appointment to a normal three-year term.

1. **Roles of the Fund BOARD**

The BOARD will manage the invested funds and oversee distributions from the FUND in compliance with the approved Spending Rule ***(Section B)***and in accordance with the purposes as defined in this resolution.

1. **Frequency of Meetings**

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

1. **Quorum**

A quorum shall consist of a majority of the BOARD. The affirmative vote of a majority shall be necessary to carry any motion or resolution. Meeting attendance by audio or video conferencing technology is acceptable. Ex-officio members are not credited to above requirement for a quorum.

1. **Officers and Duties**

The BOARD shall elect from its membership a chairperson and a secretary. The chairperson, or member designated by the chairperson, shall preside at all BOARD meetings. The secretary shall maintain complete and accurate minutes of all meetings of the BOARD and supply a copy to each member of the BOARD. Each member 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 Assistant Treasurer and Financial Administrator of the PARISH shall maintain complete and accurate books of account for the FUND. The books will be audited as part of the PARISH annual audit in accordance with the audit policies of the Diocese of North Carolina. The auditor shall not be a member of the BOARD or the Vestry.

**Reports**

The BOARD shall report on a quarterly basis to the Vestry and, at each Annual Meeting of the PARISH, shall render a full and complete account of the administration of the FUND during the past fiscal year that shall be the calendar year.

1. **Professional Counsel**

The BOARD, 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.

1. **Investments**

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

1. **Funds for Specific Purposes**

At the discretion of the Vestry, the BOARD may establish sub-funds within the FUND for specific purposes. Current sub-funds are listed in Appendix B.

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

1. **Liability of BOARD Members**

Each member of the BOARD 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 any self-dealing or transactions with the FUND in which the member has direct or indirect financial interest and shall always refrain from any conduct in which his/her personal interests would conflict with the interests of the FUND.

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

All assets are to be held in the name of the Endowment Fund of The Church of the Holy Comforter. 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 stocks, bonds, mortgages, notes, warrants of other securities, are to be made by a designated member of the BOARD on behalf of the BOARD’s decision.

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

The BOARD will establish a Gift Acceptance Policy ***(Section E)***through which decisions will be made as to whether a gift to the FUND or to the PARISH shall be accepted.

1. **Distributions from the Fund**

It is the intent of this resolution that the FUND shall be managed as a true endowment employing the restriction that the principal shall not be invaded. Distributions from the FUND will 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 (2/3) vote of the full membership of the Vestry at two (2) consecutive, regularly scheduled meetings, and a two-thirds (2/3) vote of the full congregation at a 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 BOARD shall formulate a policy defining the spending rules and protocols ***(Section B)***with the approval of the Vestry. The policy will provide for the withdrawal and use of funds consistent with the stated purposes of the FUND as defined in the first section of this Resolution. No portion of the FUND shall be “borrowed,” including any “temporary usage” for other needs of the PARISH.

To the extent that the requirement of “dire circumstances” referenced above is violated by withdrawals from the FUND, those BOARD members responsible for that violation may be held personally responsible for replenishing such withdrawals.

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

1. **Amendment of this Resolution**

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

1. **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 constitution and in accord with diocesan canons and the Bishop of the Diocese of North Carolina. It may be appropriate to consult with the Diocese of North Carolina to determine the manner in which FUND obligations will be met after the PARISH ceases to exist.

The foregoing resolution is hereby adopted by the Vestry of The Episcopal Church of the Holy

Comforter, Burlington, NC this Eighth day of May , 2023.

The Episcopal Church of the Holy Comforter

Burlington, NC

Attest:

Mark Thomas (print name) Max Newbauer

Senior Warden Assistant Treasurer

Mark Thomas \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (signature) Max Newbauer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Senior Warden Assistant Treasurer

**ENDOWMENT FUND
POLICIES AND GUIDELINES**

for **The Episcopal Church of the Holy Comforter**

Burlington, NC

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **SECTION A**

***Investment Policy Statement***

**Purpose**

This Investment Policy Statement (IPS) establishes the philosophy, guidelines, and investment objectives for managing the investments of the FUND. The IPS also sets forth implementation and monitoring guidelines for the BOARD, reporting requirements to the Vestry, and an annual review of the IPS.

**Responsibility**

The ultimate responsibility for managing the FUND resides with the Vestry which has chosen to delegate portions of its responsibility to the BOARD, which will administer the portfolio of the FUND in accordance with these guidelines, as adopted and amended from time to time. **The BOARD may choose to employ an outside investment manager.** Current manager is listed in Appendix C.

**Fund Objectives**

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.

**Investment Philosophy**

The BOARD, under the direction of the Vestry, believes the best approach to pursue the highest risk-adjusted long-term investment return is through an asset allocation strategy. An asset allocation strategy offers constant exposure to all areas of the investment markets in appropriate weightings based upon an investor’s tolerance for volatility or risk. As such, the BOARD will not attempt to “time the market” by entering or exiting the investment strategy based upon perceived market swings. To carry out its duty, the BOARD will generally research, select, and monitor high quality asset managers to implement Strategic Asset Allocation. From time to time the BOARD may make tactical shifts in the FUND’S asset allocation (defined as within the pre-established ranges) in order to take advantage of more long-term trends in the market environment. Larger, more strategic changes to the asset allocation will only be made when a fundamental change in the FUND or the FUND’S objectives, as determined by the Vestry, occurs.

**Investment Guidelines**

***Time Horizon:***

The FUND’s investment objectives and strategic asset allocations are based on a long-term time horizon.

***Risk Tolerance:***

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

***Prohibited Investments:***

The BOARD shall not engage, or hire an investment manager to engage, in private placements, restricted stocks or other illiquid issues, commodities’ futures, arbitrage, and other uncovered options, and shall not directly engage in short sales, margin transactions or other similar specialized investment activities; however, the use of funds that use these investment activities in a constructive manner are permitted.

***Portfolio Diversification:***

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

***Investment Discretion:***

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

**Asset Allocation**

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

The strategic target allocation shall normally be within the following ranges (plus or minus 5%):

 **Low Target High**

# Equities: 55% 69% 82%

Alternative Investments: 15% 18% 23%

# Fixed Income/Cash: 10% 13% 16%

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

**Investment Goals**

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

**Reporting**

The BOARD will quarterly provide a report to the Vestry that will include the fund value, 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.

#### Investment Policy Review

The BOARD will review this IPS at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

**SECTION B**

***Spending Rule Policy***

There will be no distributions unless the FUND has a minimum of $500,000.

The BOARD shall periodically consider, prioritize, and approve requests for distribution from the FUND. Requests shall include the purpose and justification of such funds for uses which conform to the purposes and restrictions established by donors or incorporated in the Enabling Resolution. The BOARD, with Vestry approval, will authorize funds be electronically transferred to the Disbursement account within the FUND and made available to the parish treasurer for only those uses and restrictions specified within the approved request. The Chairperson of the Endowment Fund Board and the Assistant Treasurer of Holy Comforter shall be authorized check writing privileges, when needed, on the Disbursement account, however, only one signature is required.

Funds available for distribution will be determined by using a total return principle, i.e., return derived from dividends and interest as well as realized and unrealized capital gains. The funds available for distribution during any one year will be limited to a percentage of the market value of the corpus that is based on a three-year rolling average, with measures taken at the end of each of the preceding three (3) calendar years. The market value for this purpose will be taken net of the fees for investment management.

The percentage of the FUND made available for distribution shall be determined prior to the end of March each year by the BOARD and will be no more than five percent (5%). In so doing, market performance of the portfolio will be an important consideration. It will be the goal of the BOARD to grow, or at least maintain, the purchasing power of the FUND taking inflationary effects into account.

Any unexpended funds from those available for distribution in a given year will be accrued and will continue to be considered available for distribution in subsequent years unless otherwise designated by action of the BOARD with the approval of the Vestry.

Expenses related to the management and administration of the FUND will be deducted from the funds available for distribution.

**SECTION C**

***Donor-Designated Fund Policy***

A separate and designated sub-fund within the FUND may be established for gifts in the amount of $25,000 or more. The BOARD, with Vestry approval, must vote to accept the gift for the purpose(s) described by the donor, or it has the responsibility to reject the gift.

Gifts less than $25,000 for a designated purpose (such as music, ECW, etc.) should be gifted to a “funds due others” (FDO) account (an account for a specific purpose) or to an already established sub-fund within the FUND.

If accepted, gifts of $25,000 or more, are merged with other assets of the FUND for investment purposes, but the identity and designated purpose of each fund is preserved individually.

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

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

**SECTION D**

***Disposition of Bequests Policy***

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

The bequest may identify the beneficiary in one of two general ways: *The Episcopal Church of the Holy Comforter* or some other wording such as *The Endowment Fund of The Episcopal Church of the Holy Comforter.*

Undesignated bequests over $5,000 to Holy Comforter, as well as non-recurring gifts and funds over $5,000 related to an undesignated bequest, will be split 20% to Undesignated Memorials and 80% to the FUND.

The Rector must ensure that all undesignated gifts over $25,000 made “in memory of” after someone’s death will be dispersed according to the survivors wishes if the deceased did not designate specific wishes. Likewise, the Rector must contact the donors of gifts over $25,000 made “in honor of” or “in memory of,” to assure the gift is dispersed in accordance with the donor’s wishes or specifications.

Bequests with **The Episcopal Church of the Holy Comforter** as beneficiary can be of two general types:

**a. Restricted:** For gifts more than $25,000 the donor may identify a specific purpose(s) to which the funds should be directed. The Vestry will guarantee that the use(s) to which those funds are applied is faithful to the donor's wishes. The funds may be directed to their designated purpose(s) either as an endowment, in which case they normally would become a designated sub-fund within the Endowment Fund, or by direct expenditure of the funds through the Assistant Treasurer of the Parish.

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

In such instances the following procedure will apply:

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

Funds in Undesignated Memorials may be distributed as approved by the Vestry, understanding that use of the funds for operating budget is to be avoided except in extreme circumstances.

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

Neither the name, the amount, nor the conditions of any gift shall be published without the express written or oral approval of the donor and/or beneficiary.

**Acknowledgements**

Each gift to the FUND will be appropriately acknowledged through a process coordinated by the Chair of the Endowment Fund Board. The Parish Rector, Senior Warden, and Chair of the Endowment Fund Board will each appropriately acknowledge gifts over $25,000 to the FUND.

**SECTION E**

***Gift Acceptance Policy***

**Purpose**

This gift acceptance policy will provide guidelines to representatives of The Endowment Fund (“Fund”) who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to the FUND. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The gift review process outlined here; however, is intended to be followed closely.

**Gift Review**

Any questions which may arise in the review and acceptance of gifts to the FUND will be referred to the Endowment Fund Board (BOARD), which shall advise the Vestry pursuant to the terms of this Policy.

**“Fast Track” Gift Acceptance**

Subject to the terms of this Policy, the Parish Rector, Parish Assistant Treasurer, and the Senior Warden of the Vestry, (each an “Authorized Person”) shall each have the authority, but no obligation, to accept gifts to the FUND meeting the following criteria:

1. Any unrestricted and undesignated gift of personal property having a value equal to or less than one thousand dollars ($1,000.00).
2. Any unrestricted and undesignated gift of cash, cash equivalents, or marketable securities, without regard to the amount of such gift.

For the purposes of this Policy, the term “unrestricted and undesignated” shall mean any gift not intended by the donor for a Designated Fund, as provided in ***Section D*** and having no restrictions required by the donor on the use of such gift. In the event that an Authorized Person is unable to reasonably ascertain the value of a gift of personal property, then the Authorized Person shall refer the gift to the BOARD. All other proposed gifts that do not meet the criteria for Fast Track Gift Acceptance shall be referred to and reviewed by the BOARD. Upon acceptance of any gift as provided herein, the Authorized Person shall promptly provide notice to the BOARD of the acceptance of such gift.

**Cash**

1. All gifts by check shall be accepted by The Episcopal Church of the Holy Comforter regardless of amount. Gifts of an amount less than $25,000 will be added to a current designated category of the Endowment Fund or spent according to any donor restriction and as approved by Vestry.
2. Checks shall be made payable to the Holy Comforter Endowment Fund. In no event shall a check be made payable to an individual who represents the FUND or the church in any capacity.

**Publicly Traded Securities**

1. Readily marketable securities, such as those traded on a stock exchange, can be accepted by the BOARD.
2. The value of the gift of securities is the average of the high and low prices on the date of the gift.
3. A gift of securities to the Parish is normally liquidated immediately.

**Closely Held Securities**

1. Non-publicly traded securities may be accepted after consultation with the BOARD.
2. The BOARD will explore methods for liquidation of the securities through redemption or sale **prior to acceptance.** The BOARD will try to determine:
	1. An estimate of fair market value
	2. Any restrictions on transfer
	3. Whether and when an initial public offering might be anticipated
3. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

**Real Estate**

1. Any gift of real estate to the FUND must be reviewed by the BOARD.
2. Normally, the donor is responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent and professional agent.
3. The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area.
4. The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation or title disputes.
5. The BOARD reserves the right to require an environmental assessment of any potential real estate gift.
6. The property must be transferred to the FUND prior to any formal offer or contract for purchase is made.
7. The donor may be asked to pay for all or a portion of the following:
	1. Maintenance costs
	2. Real estate taxes
	3. Insurance
	4. Real estate broker’s commission and other costs of sale
	5. Appraisal costs
8. For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate. This value may be reduced; however, by the costs of maintenance, insurance, real estate taxes, broker’s commission and other expenses of sale.

**Life Insurance**

1. A gift of a life insurance policy must be referred to the BOARD.
2. The Episcopal Church of the Holy Comforter can be named a contingent beneficiary or the beneficiary of a percentage of a life insurance policy.
3. The Vestry will accept **ownership** of a life insurance policy as a gift only if the FUND is named as the owner and beneficiary of 100% of the policy.
4. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy’s replacement cost.
5. If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy’s cash surrender value. (For IRS purposes, the donor’s charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)

**Tangible Personal Property**

1. Any gift of tangible personal property shall be referred to the BOARD prior to acceptance.
2. Gifts of jewelry, artwork, collections, equipment and software shall be assessed for their value to the FUND. Their value may be realized either by being sold or used in connection with the church’s exempt purpose.
3. Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.
4. The BOARD shall adhere to all IRS requirements relating to valuation and disposition of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

**Deferred Gifts**

1. The BOARD encourages deferred gifts in its favor through any of a variety of vehicles:
	1. Charitable gift annuity (or deferred gift annuity)
	2. Pooled income fund
	3. Charitable remainder trust
	4. Charitable lead trust
	5. Bequest
	6. Retained life estate
2. The Episcopal Church of the Holy Comforter (or its agent) shall not act as an executor (personal representative) for a donor’s estate. The BOARD (or its agent) shall not act as an executor (personal representative) for a donor’s estate. A member of the parish or parish staff may serve as an executor (personal representative) for a member of the parish, but they do so only in a personal capacity and not as an agent of Holy Comforter or the BOARD.
3. The BOARD (or its agent) shall not act as trustee of any charitable remainder trust.
4. When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift related documents, materials, illustrations, letters or other correspondence, the following disclaimer should be included:

***We strongly urge you to consult with your attorney, financial and/or tax advisor to review and approve this information provided to you without charge or obligation. This information in no way constitutes legal or financial advice. We will gladly work with your independent advisors to assist in any way.***

1. All information obtained from or about donors/prospects shall be held in the strictest confidence by the BOARD, the parish staff and privileged volunteers. Neither the name, the amount, nor the conditions of any gift shall be published without the express written or oral approval of the donor and/or beneficiary.
2. The BOARD will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The parish recognizes the right of fair and just remuneration for professional services.

**Procedure**

Any cash pursuant to a bequest shall be immediately deposited and held in the bank pending a decision regarding the final disposition of the bequest. The Parish Assistant Treasurer will prepare copies of relevant documents and distribute them to the appropriate offices of the Parish, including the Rector, the Senior Warden, the Finance Committee, and the Chair of the BOARD. A decision regarding the liquidation of securities will not be made until it is determined whether those assets are to be directed to the FUND, in which case the certificates will be given to the Investment Manager of the FUND, where applicable, to be held or sold, which decision will be made on portfolio considerations. Otherwise, the liquidation of securities will be handled according to the normal practices of the Parish. The method, timing, agent, etc. for the liquidation of other assets (such as real estate or personal property) will be decided by the Vestry.

**Acknowledgements**

Each gift to the FUND will be appropriately acknowledged through a process coordinated by the Chair of the Endowment Fund Board. The Parish Rector, Senior Warden, and Chair of the Endowment Fund Board will each appropriately acknowledge gifts over $25,000 to the FUND.

**Appendix A**

**Original Authorizing Resolutions for the Establishment of an Endowment Fund for The Church of the Holy Comforter – approved December 20, 2004**

#### The Vestry of The Episcopal Church of The Holy Comforter

#### 320 East Davis Street

***Burlington, North Carolina 27215***

## AUTHORIZING RESOLUTIONS

## FOR THE ESTABLISHMENT OF AN ENDOWMENT FUND FOR THE CHURCH OF THE HOLY COMFORTER

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind-time, talents, the created world of money, including accumulated, inherited and appreciated assets; and

WHEREAS, Christians can give to the work of the Church through a variety of gift vehicles, in addition to cash and securities, including bequests in wills, charitable remainder trusts and other life income gifts, other trusts, life insurance policies, real estate, and tangible personal property; and

WHEREAS, The Church Of The Holy Comforter, Burlington, N.C. has, from time to time, been the beneficiary of certain individual estates and various and sundry forms of gifts, some of which are restricted to certain use or uses of the principal or income or both, or which are used in the discretion of the Vestry, or which are to be used in the discretion of the Vestry, or which are to be used in the discretion of the Rector and/or other ordained clergy; and

WHEREAS, it is the desire of the Vestry to encourage, receive and administer all 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 North Carolina, and the policies of this parish; and

WHEREAS, the Vestry deems it advisable to establish a permanent endowment fund for the benefit of this parish and in support of this parish's various ministries, as well as for the purpose of receiving, investing, reinvesting, and administering such funds as have been heretofore given to the parish (or, under appropriate conditions, are given to the parish in the future for uses and purposes for which this endowment fund is being established), all in accordance with such restrictions imposed, and purposes decreed, as the case may be, and if there be, on such funds; and

WHEREAS, ***Martha Adams, Randy Cary, Alan Gibby, Jeannette Hassell, Robert Kirchen, Derek Steed, and David Williams***, all residents of North Carolina, and confirmed communicants in good standing of the Church, (as defined in or by the Canons of the Protestant Episcopal Church in the United States and Episcopal Diocese of North Carolina), who shall remain members in good standing during their terms and who are willing to serve as Board members of such endowment fund upon conditions hereinafter set forth**:**

THEREFORE BE IT RESOLVED, that this parish, through action of its Vestry, establish a new and separate fund to be known as the Endowment Fund (hereinafter called the "FUND") of The Episcopal Church Of The Holy Comforter, 320 East Davis St., Burlington, N.C. 27215 (hereinafter referred to as "Parish");

BE IT FURTHER RESOLVED, that the purpose of this FUND is to enable the Parish to more completely fulfill its mission by developing its ministries beyond what is possible through its annual operating funds, and therefore that distributions from the FUND shall be limited to (1) outreach ministries, grants, and gifts; (2) seed money for new ministries; (3) special one-time parish programs and special one-time outreach and mission projects; (4) specific capital needs of Parish, and (5) such other purposes as are specified in The Plan Of Operation For The Endowment Fund Program.

BE IT FURTHER RESOLVED, that distributions from the FUND shall not be used to replace, maintain, supplement, or subsidize the operating budget of the Parish except for extraordinary emergency situations formally declared by the Vestry and as set forth in FUND policy concerning use and distributions of proceeds;

BE IT FURTHER RESOLVED, that the Endowment Fund Board (hereinafter called the “BOARD”) shall be the custodian of the FUND and shall have the responsibility for administering and managing all aspects of the FUND to include (1) all management and investment-related activities for all assets in the FUND; (2) all planned giving activities related to education and awareness concerning the FUND, and activities related to helping donors to make gifts to the FUND; (3) establishing, with Vestry approval, all necessary and appropriate policies, rule, and procedures for administering and managing the FUND; and (4) other such matters as directed by the Vestry;

**Appendix B** – can be updated without Vestry approval

**Vestry Approved General Endowment Sub-funds**

|  |  |  |
| --- | --- | --- |
| **Sub-Fund Name** | **Date Approved** | **Purpose** |
| Edwin C. and Cecil Gant | Trust created 1990 – assets distributed 11/21 and 1/22 | Maintenance of the church’s buildings and physical assets |
|  |  |  |
|  |  |  |

**Appendix C** – can be updated without Vestry approval

**Current Outside Investment Manager**

|  |  |  |
| --- | --- | --- |
| **Manager** | **Date Approved** | **Overview** |
| DFMS Trust Investment Portfolios | October 2022  | Domestic and Foreign Missionary Society (DFMS) of the Protestant Episcopal Church  |
|  |  |  |
| **Trust Funds in DFMS** | **Date Established** | **OVERSIGHT** |
| General Endowment | October 2022  | Endowment Board |
| Edwin C. and Cecil Gant | October 2022  | Endowment Board |
| Harden Maintenance | October 2022  | Vestry |
| Mission Fund  | October 2022 | Vestry |
|  |  |  |