

Resolution
Endowment Committee of St. John's United Methodist Church

In that on November 8, 2017 a Charge Conference of St. John's United Methodist Church approved a resolution authorizing the appointment and functioning of an Endowment Committee ("Committee"). The resolution repealed a previous resolution adopted on the 27th of June 2001, which had never been enacted by except to create the Walter F. Stiers Educational Fund, and

Whereas, the said Committee has been duly appointed and held an organizational meeting, and

Whereas, the Committee has authorized the preparation of guidelines for the Organization, Administration and Functioning of the said Committee;

Therefore, the Committee having considered the said guidelines hereby formally adopts same for purposes of carrying out its duties as set forth in the November 8, 2017, resolution. The resolution and guidelines are attached hereto, and

Therefore, the Committee reauthorizes the Walter F. Stiers Educational Funds and its continuation.

Adopted this 16th day of October 2018.

Guidelines for the Organization, Administration, and Functions of the Endowment Committee of St. John's UMC

- These guidelines have been compiled from the intent of the November 8, 2017 Resolution, including the 2001 approved guidelines and the minutes of the May 23, 2018 organizational meeting of the Committee.
- Responsibility for management of the funds shall be vested in the Endowment Committee.
- The Committee shall have the power necessary and shall assume all duties required to carry out the intent of this resolution.
- To promote giving to the funds, while considering the other fundraising efforts which the church may be sponsoring.
- To accept or reject any gift, bequest, or donation to the funds and properly acknowledge all gifts.
- To use income and maintain principal in accordance with the directions of the donors, recommendation of appropriate committees and work areas of the church and the applicable guidelines of the funds and the social principles of the United Methodist Church.

Committee Organization

- The Endowment Committee shall consist of seven members, i.e., the Pastor, two members of the Finance Committee, two Trustees, a member of the Scholarship Committee, and the Financial Secretary.
- Only the aforementioned seven Endowment Committee members have voting rights, although any interested member of the St. John's congregation will be welcome at all public meetings.
- At the first meeting of the Committee following each annual Charge Conference, a committee chairperson will be determined. The chairperson shall preside at all meetings and shall report to the church council.
- Four members of the Committee must be in attendance for quorum.

- The Committee shall meet at least quarterly, or as often as necessary at the discretion of the chairperson to conduct business of the fund. At least two of these meetings will require physical attendance.
- Meetings may be restricted to Endowment Committee members only to protect the privacy of donors and/or donor information.
- The majority by those present at a committee meeting shall carry any motion or resolution.
- Motions and Resolutions may be voted on by electronic means, but must be ratified for the minutes of the next regular meeting.

Records, Reports, and Audits

- To keep records of all donors and gifts.
- To maintain proper records of receipts and expenditures for the fund and of the assets of the funds.
- At a minimum, the Committee shall maintain records of minutes of all meetings, copies of all motions and resolutions passed or otherwise acted upon and the financial statements prepared by the United Methodist Foundation.
- The Committee shall report through the chairperson, no less than annually to the Church Council.
- The Committee shall coordinate with the Finance Committee for the performance of audits of the funds as may be required by Para. 258.4d of the Book of Discipline (2016).

Establishing and Managing the Funds

The Committee shall establish two types of funds. There shall be a single unspecified fund which shall be the default fund for all legacy gifts which are not designated for a specific purpose.

In addition, the Committee may establish any number of specified funds, which will serve to fund a specific project, mission or undertaking of St. John's. Specified funds may be used to augment the St. John's budget, but only for the purpose specified.

All funds will be established by Committee Resolution which shall set forth the purpose of the fund and be accompanied by guidelines for each fund which shall provide rules for the

management and administration of the fund. If a specified fund is established as a result of a gift of at least \$5,000 the donor may (at the Committee's discretion) be permitted to make input into the guidelines. Likewise, the committee having subject matter interest in the use of the funds (e.g., Trustees, Youth, Music, etc.) shall be consulted with respect to the guidelines.

The assets of each fund shall be accounted for in four categories:

Physical property – vehicles, tools, computers, etc., which are the property of the fund and are used in pursuit of the fund's purpose.

Principal of the fund – which shall include the total of all gifts to the fund and the capital gains thereof.

Annual Income – Interest and dividends earned by the financial assets (principal) of the fund which may be in whole or in part, available for distribution in pursuit of the purposes of the fund.

Accrued Distributable Income ("ADI") – that income earned and available for distribution in prior years and not distributed. The ADI shall remain available for use in subsequent years. This would be the case in providing funding for items such as roof, HVAC systems, bathroom upgrades, paving, designated mission work, etc.

To ensure that the financial assets of the Fund shall be prudently invested pursuant to the social principles of the United Methodist Church, all such assets shall be invested with the United Methodist Foundation. Reports from the Foundation shall constitute "Records" of the Fund.

All activities of the funds shall be conducted in accordance with the Book of Discipline, the laws of the Commonwealth of Virginia, and general accepted accounting principles.

The objectives of the Endowment Program are to conserve principal and make use of only the distributions determined by the Committee. Any part of the principal may be withdrawn only in the extreme and overwhelming circumstances, bordering on the survival of St. John's United Methodist Church. Any withdrawal of principal must be approved by a two-thirds (2/3) vote of the Charge Conference of St. John's United Methodist Church at which a quorum is present.

The Committee shall not recommend such a withdrawal in any amount to exceed 10% of the principal of any fund in any calendar year.

A separate Named Fund with the overall St John's Endowment Fund will be established for a gift of at least one hundred thousand (\$100,000) dollars, upon the recommendation of the Endowment Committee and the approval of the Church Council. If this amount or more is pledged to the Endowment Fund, the name will be used only when the total actual gift amount received has reached at least one hundred thousand (\$100,000) dollars.

Subject to the approval of the Committee, any person may make gifts of any amount at any time to the unrestricted portion of any previously established restricted portions of the Endowment Fund.

Application for Any Disbursement of Fund Assets – shall be in accordance with the guidelines for each individual fund.

Guidelines for an Education and Fund Raising Program

The Committee shall establish a program to educate the St. John's family, advertise the legacy giving program and its advantages and solicit donations to the various funds created by the Committee.

The Education and Advertising aspects of the program shall coincide and be conducted at times and in a manner that will not compete with the on-going program of fund raising for the general fund. The program shall include but not limited to:

- The Committee shall request that the Pastor address legacy giving from the pulpit at least once every calendar year.
- Lay presentations of no longer than five minutes at least three times each calendar year.
- The Committee will prepare inserts for the Church bulletin at least four times each calendar year.
- The Committee shall sponsor forums at least once every calendar year to address legacy giving, estate planning, will, trust, amending a will, and other endowment estate planning issues. The Committee shall invite attorneys, estate planners, and other such professionals to speak at these forums.

The Committee shall make maximum use of opportunities presented by the St John's website and other forums of digital communications. The following should be made available on the website:

- The audio and text of Pastor's presentation
- Textual information
 - Program description
 - Who to contact for information
 - List of reasons for giving
 - Ways to donate
- Forms

Endowment Committee Guidelines

- Provisions for inclusion in wills
- Sample codicils (changes in a will)
- Recommendations for conducting a family meeting to discuss endowments

Resolution
Creating an Endowment Fund for the St. John's United Methodist Church

IN THAT by Resolution on November 8, 2017, a Charge Conference of St. John's United Methodist Church established an Endowment Committee authorized to establish and manage Endowment Funds (both Unspecified and Specified) and to accept donations, gifts, bequests and legacies of any kind (financial, Real or Personal property) to constitute the corpus (principal) of such funds, and to manage those funds in accordance with the purpose set forth in the said Resolution of November 8, 2017;

AND WHEREAS, Jesus said "whosoever shall have done these things for the least of my children have done them for me", and

WHEREAS, Jesus was referring to providing for the poor, caring for the sick, walking with the lost and lonely and visiting the imprisoned, and

WHEREAS, opportunities arise often for churches and those involved in missionary and ministerial endeavors to reach out to meet those needs, and

WHEREAS the availability of resources to provide is often either insufficient or non-existent and,

WHEREAS, the congregation of St. John's United Methodist Church are aware of this dilemma and the need for a source of such funding, and

WHEREAS, the St. John's United Methodist Church Endowment Funds Committee, acting on its authority

RESOLVED, that there shall be created on the books and records of the St. John's United Methodist Church an Unspecified Endowment Fund which shall be called the St. John's Fund, the purpose of which fund shall be to provide resources for the ministerial and mission-related activities of St. John's, and its family which are not funded by the General Fund (annual budget) of St. John's.

The purpose, management and administration of the said St. John's Fund shall be in accordance with the Book of Discipline of the United Methodist Church (2016) , the aforementioned Resolution of November 8, 2017, this Resolution and the Fund Guidelines attached hereto.

The said Fund shall be managed by the Endowment Committee.

The initial funding of the St. John's Fund shall be in the amount of a \$500 contribution which is hereby accepted by the Committee.

Adopted this 16th day of October 2018.

St John's Fund
Unspecified Fund
Guidelines

Purpose:

The St. John's Fund is an unspecified fund and as such will be the default recipient of all endowment and of legacy contributions received by St. John's that are not specified for use for a specific purpose (to accomplish a specific task, fund a specific project or function or as a gift to a specified endowment fund).

Proceeds of the St. John's Fund (as herein after defined as "the Fund") may be used for faith and mission related activities and undertakings which are not funded in the General Administrative Budget. These funds may be used for newly initiated programs or activities of on-going programs or for new activities that St. John's undertakes. Use of the proceeds of the Fund shall be broadly interpreted and include, but not be limited to contributions to individuals and organizations, travel to and attendance at faith or mission related conferences or meetings, education expenses of St. John's personnel, purchase of materials and/ or supplies for faith-based or mission related activities, short term employment of individuals to further the goals of programs. Broadly speaking, the proceeds of the Fund shall be used to magnify the spiritual footprint of St. John's in the community.

The Fund:

The Endowment Committee shall have the authority to accept or reject any gift to the Fund. Any gifts may be of cash, securities, real or personal property and may be testamentary or inter-vivos (while living). Members of the St. John's congregation and the Committee are to be encouraged to negotiate and make legacy gifts in the future and the Committee be provided a copy of the will or other instrument defining the gift.

In the case of in-kind contributions, the Endowment Committee should work with the Trustees to decide whether the asset should or could be used by St. John's for its intended purpose or best be sold to acquire cash (should we use a truck as a truck or sell it?). In the case of real property, there are provisions in the Book of Discipline to be considered. To maximize the prudential investment outcome, ensure capital preservation and maximize return on investment, the Fund shall be invested with the United Methodist Foundation.

Accounting/Audit:

The Fund shall have no limit on its level of capitalization; although the Committee should be aware of the on-going needs of other areas in the St. John's ministry and when counseling with prospective donors advise them of these needs.

To the extent that articles of personnel property (vehicles, furniture, art, etc.) or real property constitutive assets of the Fund, they shall be accounted for independently of the financial assets of the Fund. They should be listed and described together with an appraisal (or estimated value.) and a description of how they are being put to use to further the purpose of the Fund.

The financial assets of the Fund shall be accounted for on an annual calendar year basis in a report submitted to the Church Council together with the report on personal and real property here in above described. The report shall be submitted within 60 days following the end of the calendar year.

The financial assets of the Fund shall be accounted for in accordance with generally accepted accounting principles and report at least the following categories:

- a. End of year capitalization: the total of the financial assets of the Fund as of a date certain, including the total of all gifts, bequests or donations to the Fund, capital gains if any, and all undisbursed income which at year's end is available for disbursement.
- b. Current year income
- c. Current year disbursements
- d. Total accrued prior year undisbursed income, which shall remain available for disbursement.

All financial assets of the Fund shall be transferred to the Virginia United Methodist Foundation for investment as a separate and independent account.

Audits as may from time to time be required by paragraph 258.4d of the Book of Discipline (2016), The Church Council or the Committee shall be performed by a firm selected by the Financial Committee of St. John's and paid for out of the income of the fund.

No asset of the Fund may be borrowed by St. John's (or any person or entity) nor may any asset of the Fund be used to secure or collateralize a loan to St. John's or any person or entity.

No part of the principal of the Fund capital may be withdrawn for any purpose except extreme and overwhelming circumstances bordering on the survival of St. John's United Methodist Church; then only upon a two-thirds (2/3) majority vote of a Charge Conference with a limit of 10% of the Fund capitalization in any calendar year.

Records and reports the Committee shall at a minimum keep the following records:

- a. A copy of the Fund enacting resolution and these accompanying guidelines.
- b. A record of all donors and gifts. In the case of anonymous donors, records should be kept in accordance with the Privacy Policy of the Committee.
- c. Proper records of receipts and expenses of the Fund and of the assets of the St John's Fund.
- d. All reports on the Fund from the United Methodist Foundation

The Committee shall report to the Administrative Council through Chairperson at least annually on the status of the Fund.

Application for and Disbursement of Funds:

Due to the nature of the Fund and its stated purpose for existence to finance activities, missions and undertakings not provided for in the annual budget, it is recognized that the application process may, by necessity be less than formal. Accordingly, the Committee shall require at a minimum:

- That the request be in writing and clearly set forth the purpose of the request, the dollar amount requested, the problem to be addressed, why the other request was not dealt with in the annual budget, the anticipated duration of the project and whether it will be otherwise funded in subsequent years, and whether and to what extent the project and request for funds had been coordinated with the appropriate committee or administrative activity in St. John's.
- The request should be submitted through the appropriate committee or administratively responsible activity which shall forward the request together with a recommendation and/or comment.

Once the Committee receives the request from the committee/activity, it shall be distributed to the Committee members who shall evaluate the request and take a vote. If the majority vote is to deny the request, it shall be returned stating the reason for denial. The Committee may, in conjunction with the denial, request additional information, explanation, or coordination.

It is envisioned the Fund could be made available to supplement the funding of the St. John's United Methodist Church's Administrative budget ("Administrative Budget"). However, such supplemental funding must be requested by the Finance Committee to the Endowment Committee for approval. Notwithstanding the above, no part of the income of the Fund may be used to supplant the Administrative budget or appropriations.

If the Committee votes to approve or approve with modification, the request and Committee recommendation shall be forwarded to the Church Council for final action.

These guidelines are adopted by the Endowment Committee as authorized and may be amended or modified by Committee action.

Resolution

Providing for a specified endowment fund to establish a source of financing for the maintenance, repair, replacement and upgrading of the physical facilities of St. John's United Methodist Church

IN THAT St John's UMC is in its physical form, a collection of buildings, walkways, parking lots, driveways, sidewalks and other appendices located on approximately nine partially-wooded areas of land, and

WHEREAS each of those buildings has a variety of envelope (floor, walls, doors, windows, roofs and security), heating, ventilation, air-conditioning, plumbing, mechanical, electrical systems and related equipment, and

WHEREAS, those systems and equipment connected on the parking lots, sidewalks, etc., have a useful life and all have a continuing need for repair and/or maintenance and eventual replacement, and

WHEREAS, the law, building codes, regulations and prudence itself dictate the need for projects to upgrade such facilities and

WHEREAS, there currently exists no permanent source of funding for maintenance, repair, replacement or upgrading of the physical facilities of St. John's, it is

THEREFORE RESOLVED that there shall be established on the books of St. John's United Methodist Church a permanent specified endowment fund which shall be called the St. John's Maintenance, Repair, Replacement and Upgrade Fund.

The purpose of the Fund shall be to provide financial and other assets to St. John's to fund for consultation, materials, supplies, craftsmanship and all associated costs associated with the maintenance, repair, replacement and upgrade of the buildings, grounds and appendices of St. John's.

The purpose, management and administration of the St. John's Maintenance, Repair, Replacement and Upgrade Fund shall be in accordance with the Book of Discipline of the United Methodist Church (2016), this Resolution and the Fund Guidelines attached hereto and adopted by this Resolution.

The said Fund shall be managed by the Endowment Committee with the advice of the Board of Trustees and Property Committee and oversight by the Church Council.

The initial funding of the Maintenance, Repair and Replacement and Upgrading Fund will be in the amount of a \$500 contribution which is hereby accepted by the Committee.

Adopted this 16th day of October 2018.

Guidelines
St. John's United Methodist Church Maintenance, Repair and Replacement Fund

There having been established on the books of St. John's United Methodist Church, a designated endowment fund, called the Maintenance, Repair and Replacement Fund; the following Guidelines for the management and administration of the said fund are hereby adopted.

PURPOSE: The purpose of the Maintenance, Repair and Replacement Fund shall be to acquire capital through donations, bequests and other means, to invest that capital with the Virginia United Methodist Foundation for the purpose of creating income on the acquisition of assets to be used for various projects of maintenance, repair and replacement of systems, assets and equipment at St. John's. The funds shall be used for consultation, supplies, material, equipment, workmen's compensation and associated expenses. If deemed appropriate, the proceeds from the Fund may be used to compensate full or part-time employees at St. John's hired specifically for an activity provided from this Fund.

THE FUND: The Endowment Committee shall have the authority to accept or reject any gift to the fund. Gifts may be of cash, securities, real or personal property and may be testamentary or inter-vivos (while living). Members of the St. John's congregation and the Committee are to be encouraged to negotiate and make legacy gifts and the Committee be provided a copy of the will or other instrument defining the gift.

In the case of in-kind contributions, the Endowment Committee should work with the Trustees to decide whether the asset should/could be used by St. John's for its intended purpose or best be sold to acquire cash (e.g, should we use a truck as a truck or sell it?). In the case of real property, there are provisions in the Book of Discipline to be considered.

To maximize the prudential investment outcome, ensure capital preservation and maximize return on investment, the Fund shall be invested with the United Methodist Foundation.

ACCOUNTING/AUDIT: The said Fund shall have no limit on its level of capitalization; although the committee should be aware of the on-going needs of other areas in St. John's ministry and when counseling with prospective donors advise them of those needs.

To the extent that articles of personal property (vehicles, art, furniture, etc.) or real property constitute assets of the Fund, they shall be accounted for independently of the financial aspects of the Fund. They should be listed and described together with an appraisal (or estimated value) and a description of how they are being put to use to further the purpose of the Fund.

The financial assets of the fund shall be accounted for on an annual basis on DATE in a report submitted to the Church Council together with the report on personal and real property herein above described.

The financial assets of the Fund shall be accounted for in accordance with generally accepted accounting procedures and report, at least, the following categories:

- a. End-of-year capitalization: The total of the financial assets of the fund as a date certain, including the total of all gifts, bequests or donations to the Fund, expected gains if any, and all undisbursed income which at year's end is available for disbursement
- b. Current year income.
- c. Current year disbursements.
- d. Total accrued prior year undisbursed income, which shall remain available for disbursement.

All financial assets of the Fund shall be transferred to the Virginia United Methodist Foundation for investment as a separate and independent account.

Audits as may from time-to-time be required by Paragraph 258.4d of the Book of Discipline (2016), the Church Council or the Committee shall be performed by a firm selected by the Finance Committee of St. John's and paid for out of the income of the Fund.

No asset of the Fund may be borrowed by St. John's (or any person or entity) nor may any asset of the Fund be used to secure or collateralize a loan to St. John's or any person or entity.

No part of the principal of the Fund capital may be withdrawn for any purpose except extreme and overwhelming circumstances bordering on the survival of St. John's United Methodist Church; then only upon a two-thirds (2/3) majority vote of a Charge Conference with a limit of 10% of the Fund capitalization in any calendar year.

RECORDS AND REPORTS: The Committee shall at a minimum keep the following records:

- a. A copy of the Fund enabling resolution and these accompanying guidelines.
- b. A record of all donors and gifts. In the case of anonymous donors, records should be kept in accordance with the Privacy Policy of the Committee.

- c. Proper records of receipts and expenses of the funds and of the assets of the fund.
- d. All reports on the fund from the Virginia United Methodist Foundation.

The Committee shall report to the Church Council through Chairperson at least annually on the status of the Fund.

APPLICATION FOR AND DISBURSEMENT OF FUNDS: The income from the particular designated fund will be largely associated with the physical upkeep of St. John's United Methodist Church buildings and grounds.

The annual plan of Trustees for routine inspections, maintenance and report of the various systems should guide the Committee in planning for routine disbursements from the fund. This will require documented communication and coordination between those committees and the Endowment Committee.

Currently, certain expenses in the St. John's United Methodist Church's Administrative budget ("Administrative budget") that are under the auspices of the Trustees, e.g. custodial, lawn care, utilities expenses, and etc., are jointly funded through the Administrative budget and the Pre-School (Center for Early Childhood Education) budget. It is envisioned that proceeds from the Repair, Maintenance and Replacement Fund could be made available to supplement the funding of such expenses. However, such supplemental funding must be requested by the Finance Committee to the Trustees then onto the Endowment Committee for approval. This procedure will also apply to any expense that falls under the auspices of the Trustees. Notwithstanding the above, no part of the income of the Fund may be used to supplant the Administrative budget or appropriations.

The Trustees should prepare a long-term major system replacement schedule (based on 20-30 year life cycle costing – see attached schedule for parsonage as an example) which shall serve as the basis for annual budgeting of accrued income to provide funding for major repairs or replacement of facilities and equipment. Major facilities/equipment will include but not be limited to the building and envelope (floors, walls, doors, windows, roofs, security and lighting systems), heating, ventilation and air-conditioning, plumbing, electrical and mechanical systems, and periodic updating of restrooms, kitchens, etc.

The proceeds of the Fund may also be available for additions and building improvements including upgrading handicapped access.

To the extent that there will be requests for funding for projects at the parsonage, the Pastor and Pastor-Staff Parish Relations Committee as well as Trustees/ shall be involved.

TRUSTEE BUDGETING

I. Parsonage

<u>A. Item</u>	<u>Est Cost*</u>	<u>Per Yr.</u>	<u>Life Cycle **</u>
Roof	10K	400	25-30
HVAC	10K	500	20
Kitchen/appliances	5 – 10K	500	20-25
Baths	5K/each	500	20-25
Paint			
Outside	5K	500	12
Inside	5K	500	10-12
Carpet/Floor	10K	<u>600</u>	15
		3500	

B. Necessary Information

1. Age/Installation date of all items
2. Maintenance history
3. Instruction Manual/Guaranties, etc.
4. What can be done by in-kind / in-house labor?

*in 2015 dollars

** assuming periodic inspection/maintenance