

**All Saints Church
Chevy Chase, MD
Endowment and Investment Fund Policies and Guidelines**

October 18, 2016

All Saints Church Endowment and Investment Fund Policies and Guidelines

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ENABLING RESOLUTION

ESTABLISHING AN ENDOWMENT AND INVESTMENT FUND FOR ALL SAINTS CHURCH CHEVY CHASE, MD

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 Washington and the policies of this
10 Parish; and

11
12 WHEREAS, the Vestry previously established the All Saints’ Foundation, Inc. (the
13 “Foundation”), a tax exempt Maryland Nonstock Corporation; and

14
15 WHEREAS, the Foundation is dissolving and will transfer all of its assets to All Saints Church,

16 THEREFORE, BE IT RESOLVED that this Parish, through action of its Vestry, establish a new
17 and separate fund to be known as “The Endowment and Investment Fund” (hereafter called the
18 “FUND”) of All Saints Church, 3 Chevy Chase Circle, Chevy Chase, MD 20815.

Initially, the Fund shall consist of the assets transferred to All Saints Church by the Foundation,
other than that note in the amount of \$200,000 dated November 2012 from the Vestry to the
Foundation, which assets are currently divided into the following sub-funds

- All Saints Church Perpetual Memorial Fund
- All Saints Church Investment Fund
- All Saints Columbarium Fund
- P.B. Ruda Memorial Music Fund

A description of these sub-funds is in Appendix A to the attached Endowment and Investment
Committee Policies.

19 BE IT FURTHER RESOLVED that the purpose of the FUND is to enable the Parish to fulfill its
20 mission more completely by developing its ministries beyond what is possible through its annual

21 operating funds. Distributions from the FUND therefore shall be limited to: (i) capital
22 improvements of the Parish; (ii) additional outreach ministries and grants; (iii) seed money for
23 new ministries and special one-time projects; and (iv) such other purposes as are specifically
24 designated by donors to the Parish whose gifts are included in the FUND.

25 BE IT FURTHER RESOLVED that, except as provided in paragraph 14 of the following “Plan
26 of Operation”, the distributions from the FUND shall not be made to the operating budget of the
27 Parish except to fulfill the purposes described above.

28 BE IT FURTHER RESOLVED that an ENDOWMENT AND INVESTMENT FUND
29 COMMITTEE (the “COMMITTEE”) is hereby established. The COMMITTEE shall have
30 oversight responsibility of the FUND, and its composition and duties are described in the “Plan
31 of Operation,” set forth below, which may be amended from time to time (see paragraph 15).

32
33 BE IT FURTHER RESOLVED that the COMMITTEE is directed to recommend to the Vestry
34 within 180 days whether (i) Marshfield Associates shall continue to manage the assets of the
35 FUND or (ii) the assets shall be managed by State Street Global Advisors as part of the
36 Episcopal Church Foundation pooled funds under guidelines provided by the COMMITTEE and
37 approved by the Vestry.

PLAN OF OPERATION

1. Composition of the COMMITTEE

38 The COMMITTEE shall consist of (5) regular members, all of whom shall be members in good
39 standing of All Saints Church. They shall be appointed by the Vestry. Additionally, the Rector,
40 Senior Warden and Treasurer shall be ex-officio members of the COMMITTEE without votes.
41 No member of the COMMITTEE shall be a current member of the Vestry or employed by the
42 Parish. Except as herein limited, the term of each appointed member shall be three (3) years. The
43 Vestry will stagger the terms of members to maximize continuity over time. No member shall
44 serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former
45 COMMITTEE members may be reappointed. In the event of a vacancy on the COMMITTEE,
46 the Vestry shall appoint a member to complete the unfulfilled term. Upon the completion of the
47 term, that person would be eligible for reappointment to one normal three (3) year term.

2. Resignation, Removal of COMMITTEE Member

48 Any regular member of the COMMITTEE may resign at any time by written notice to the
49 Rector. A member ceases to be a member of the COMMITTEE when he or she is no longer a
50 member in good standing of the Parish. A member who fails to attend three consecutive
51 committee meetings without reason may be asked to resign. A member may also be removed at
52 any time by a two-thirds vote of the Vestry.

3. Roles of the COMMITTEE

53 The COMMITTEE will oversee the management of the invested funds and monitor the
54 distributions from the FUND in compliance with the approved Spending Rule Policy (*Section B* of

55 the attached Endowment and Investment Fund Policies and Guidelines (the “Guidelines”)) as
56 amended from time to time by the COMMITTEE with the approval of the Vestry and in
57 accordance with the purposes and distribution policies defined in this resolution.

58 The COMMITTEE will also cooperate with the Vestry and other committees which will be
59 responsible for developing a comprehensive planned giving program to encourage persons,
60 trusts, and estates to consider making gifts, grants, bequests, or other legacy gifts to All Saints
61 Church.

62
63 The COMMITTEE shall operate in accordance with the Guidelines, as they may be amended
64 from time to time by the COMMITTEE with the approval of the Vestry.

65
66 No member of the COMMITTEE shall engage in self-dealing or transactions with the FUND in
67 which the member has direct or indirect financial interest and each member shall at all times
68 refrain from any conduct in which his/her personal interests would conflict with the interests of
69 the FUND.

4. Frequency of Meetings

70 The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best
71 interest of the FUND. Meetings may be called by the chairperson or by any two members of the
72 COMMITTEE.

5. Quorum

73 A quorum shall consist of three of the regular members of the COMMITTEE. The affirmative
74 vote of three of the regular members shall be necessary to carry any motion or resolution. Ex-
75 officio members are not credited to the above requirement for a quorum.

76 The secretary shall give reasonable notice of the time and place of each meeting to members by
77 email, mail, or phone.

6. Officers and Duties

78 The COMMITTEE shall elect from its membership a chairperson and a secretary. The
79 chairperson, or member designated by the chairperson, shall preside at all COMMITTEE
80 meetings. The secretary shall maintain complete and accurate minutes of all meetings of the
81 COMMITTEE and supply a copy thereof to each member of the COMMITTEE. The secretary
82 shall also supply a copy of the minutes to the Vestry in a timely manner. The Treasurer of the
83 church shall maintain complete and accurate books of account for the FUND. The books will be
84 audited as part of the Parish annual audit.

7. Procedures and Reports

85 The Treasurer of the church shall establish procedures to assure that copies of all documents
86 (including any checks) relating to any gift are promptly provided to the COMMITTEE so that
87 the COMMITTEE may identify the nature of any restrictions relating to the gift and determine

88 whether such restrictions prevent the acceptance of the gift or require that the Vestry formally
89 accept the gift in accordance with the Guidelines as amended from time to time by the
90 COMMITTEE with the approval of the Vestry. The Treasurer shall also establish procedures to
91 assure that after the documents are reviewed by the COMMITTEE the gifts are promptly
92 remitted to the FUND.

93
94 The COMMITTEE shall report on a quarterly basis to the Vestry and such report shall include a
95 listing of the gifts received during the preceding quarter and a summary of the investment
96 performance of the Fund for that quarter. In addition, at each annual meeting of the Parish, the
97 COMMITTEE shall render a full and complete account of the administration of the FUND
98 during the preceding year.

8. Professional Counsel and Other Expenses

99 The COMMITTEE, at the expense of the FUND, may provide for such auditing and for
100 professional counseling on investments or legal matters as it deems to be in the best interests of
101 the FUND. Committee members shall serve without compensation, but reasonable expenses
102 related to the execution of their duties may be paid from the funds available for expenditure prior
103 to distribution with Vestry approval.

9. Investments

104 All funds will be invested in accordance with the investment guidelines established in the
105 Investment Policy Statement (*Section A of the Guidelines*) as it may be amended from time to
106 time by the COMMITTEE with the approval of the Vestry.

10. Funds for Specific Purposes

107 With the written approval of the Vestry, the COMMITTEE may establish additional sub-funds
108 within the FUND for specific purposes.

109 Donors may designate their gifts for a specific purpose. Any donor-designated gifts must be
110 approved by the COMMITTEE and must meet the requirements of the Donor Designated Fund
111 Policy (*Section E of the Guidelines*).

11. Indemnification

112 All Saints shall, to the extent legally permissible, indemnify each person who may serve or who has
113 served at any time as a Member of the COMMITTEE, against all expenses and liabilities, including,
114 without limitation, attorney fees, judgments, fines, excise taxes, penalties and settlement payments,
115 reasonably incurred by or imposed upon such person in connection with any threatened, pending or
116 completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a
117 "proceeding"), in which that person may become involved by reason of serving or having served as a
118 Member of the COMMITTEE (other than a proceeding voluntarily initiated by such person unless that
119 person is successful on the merits and the proceeding was authorized by a majority of the Vestry).

120

121 Notwithstanding the previous sentence, no indemnification shall be provided for any such person with
122 respect to any matter in which that person is adjudicated not to have acted in good faith on behalf of the
123 Parish or in which the Vestry, in good faith, makes such a determination.
124

125 All Saints shall provide substantially the same Directors and Officers liability insurance coverage for
126 each Member of the COMMITTEE as that provided each member of the Vestry.
127

12. Holding of Assets, Action to Sell

128 All assets are to be held in the name of the Endowment and Investment Fund of All Saints
129 Church. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all
130 other respects, to manage and control the assets of the FUND, including stocks, bonds,
131 mortgages, notes, and warrants of other securities, are to be made by either (i) a designated
132 member of the COMMITTEE or (ii) an outside investment manager chosen by the
133 COMMITTEE, on behalf of the COMMITTEE.

13. Acceptance of Gifts to the FUND

134 Decisions relating to the acceptance of gifts shall be made in accordance with the Gift
135 Acceptance Policy (*Section D of the Guidelines*) as it may be amended from time to time by the
136 COMMITTEE with the approval of the Vestry.

14. Distributions from the FUND

137 Distributions will be made from the FUND upon written request of the Vestry (and with the
138 approval of the COMMITTEE) for those uses which conform to the purposes and restrictions
139 established by donors or incorporated in the Enabling Resolution or included in this paragraph 14
140 of the Plan of Operation.
141

142 The amounts available for distributions from the FUND shall be determined in accordance with
143 the Spending Rule Policy of Section B of the Guidelines as amended from time to time by the
144 COMMITTEE with the approval of the Vestry.
145

146 Distributions from the FUND shall not be made to the operating budget of the Parish except to
147 fulfill the purposes described in this resolution, with one exception. In the event that the Parish is
148 in dire circumstances, meaning its viability as a continuing church is in jeopardy in the judgment
149 of the Vestry, the Vestry may use (i) the income of the Fund other than income which was
150 designated by the donor for a specific purpose that is inconsistent with its use for the operating
151 needs of the Parish and (ii) the principal of the Investment Fund and any other *quasi* endowment
152 fund for the operating needs of the Parish, following a two-thirds vote of the Vestry at two
153 consecutive, regularly scheduled meetings.

154 No portion of the FUND shall be “borrowed” including any “temporary usage” for other needs
155 of the Parish inconsistent with the stated purposes of the FUND.

15. Amendment of this Resolution

156 Any amendment to this Resolution shall be adopted by a vote of at least two-thirds (2/3) of the
157 membership of the Vestry at two consecutive, regularly scheduled meetings.

16. Disposition or transfer of the FUND

158 In the event the Parish ceases to exist, whether through merger, dissolution, or some other event,
159 disposition or transfer of the FUND shall be at the discretion of the Vestry in accord with
160 diocesan canons. It may be appropriate to consult with the Episcopal Church Foundation to
161 determine the manner in which FUND obligations will be met after the Parish ceases to exist.

162 The foregoing resolution is hereby adopted by the Vestry this ____ day of
163 _____, 2016.

164 All Saints Church
165 Chevy Chase, MD

Attest:

166 _____ (print name) _____

167 _____ (signature) _____
168 Senior Warden Clerk

**ENDOWMENT AND INVESTMENT FUND
POLICIES AND GUIDELINES
FOR
ALL SAINTS CHURCH
CHEVY CHASE, MD**

**SECTION A
*Investment Policy Statement***

Purpose

169 This Investment Policy Statement establishes the philosophy, guidelines, and investment
170 objectives for managing the investments of the All Saints Endowment, the Investment Fund
171 (“FUND”), and the P.B. Memorial Music Fund.

Responsibility

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

Objectives

178 The assets of the FUND are to be invested with the same care, skill, and diligence that a prudent
179 investor would exercise in investing institutional endowment funds. The primary objective will
180 be to provide a total return commensurate with the Spending Policy and achieve growth in
181 principal to keep pace with inflation, net of all investment fees.

INVESTMENT GUIDELINES

Time Horizon

182 The FUND’S investment objectives and strategic asset allocation are based on a long-term time
183 horizon.

Risk Tolerance

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

Prohibited Investments

187 The COMMITTEE shall not invest in private placement, restricted stock or other illiquid issues,
188 commodities futures, arbitrage, and other uncovered options and shall not engage in short sales,

189 margin transactions, or other similar specialized investment activities; however, investment in
190 funds that use these investment activities in a constructive manner is permitted. In addition, the
191 COMMITTEE may accept gifts of closely held securities in accordance with the Gift Acceptance
192 Policy in Section D.

Standard Asset Allocation and Diversification

193 The portfolio is to provide for long-term growth of principal and income without undue exposure
194 to risk. The portfolio shall be invested in equities, fixed income securities, and cash equivalents
195 based upon an acceptable asset mix that is conducive to participation in rising markets, while
196 permitting adequate protection in falling markets. In addition, the investment mix will take into
197 consideration the payout requirements to satisfy the annual draw, normally between 3% and 5%
198 of the average market value of the twelve (12) trailing quarters. Should there be a need to change
199 the spending rate, the COMMITTEE will review the asset mix and the asset allocation. In
200 addition, the target allocations should be reviewed at least annually by the COMMITTEE in
201 conjunction with the investment manager(s) to reflect a prudent response to current market
202 conditions.

203 The initial target asset allocation and ranges shall be as follows and may vary among sub-Funds
204 taking into account, for example, the payout requirements of the particular sub-fund:

205

206	<u>Asset Class</u>	<u>Low</u>	<u>Target</u>	<u>High</u>
207	Equities	50%	70%	85%
208	Fixed/Cash	15%	30%	50%
209	Other	0%	0%	20%

210 The investment manager will be asked to consult with the COMMITTEE regarding the use of
211 sub-asset classes and their initial strategic targets and ranges. The manager will then have the
212 discretion to make asset allocation decisions within these ranges. The COMMITTEE will review
213 these decisions quarterly.

Allocation of Responsibilities

214 The COMMITTEE, along with any and all fiduciaries, is responsible for ensuring that all assets
215 are managed effectively and prudently. It is responsible for formulating overall financial
216 objectives and investment standards of the Parish's Endowment. Additionally, with respect to
217 asset management, the COMMITTEE is responsible for:

- 218 • Allocating the assets among investment media that are deemed appropriate and
219 prudent.
- 220 • Selecting and evaluating the performance of a qualified Trustee/Custodian,
221 Investment Managers, and Investment Consultant, if applicable.
- 222 • Monitoring performance by means of regular reviews (no less than annually) to
223 assure that objectives are being met and that standards are being followed.
- 224 • Taking appropriate action if objectives are not being met or if standards are not
225 being followed.

- 226 • Communicating on a structured, ongoing basis with managers responsible for
227 investment results.

Responsibilities of the CUSTODIAN

228 The CUSTODIAN is responsible for:

- 229 • Fulfilling all the regular fiduciary duties required of a Custodian/Trustee by
230 pertinent state and federal laws and regulations.
231 • Safekeeping the assets of the Parish. Securities must be held by a
232 Custodian/Trustee that is a reputable, well-established financial institution.
233 • Supplying timely reports of transactions and valuations of the assets.

Responsibilities of the INVESTMENT MANAGER(S)

234 The investment manager is responsible for:

- 235 • Designing an investment strategy within policies established by the
236 COMMITTEE.
237 • Implementing security selection and timing within policy guideline limitations.
238 • Supplying timely written quarterly reports of investment performance results to
239 the COMMITTEE.
240 • Meeting and/or communicating in writing with the COMMITTEE at least
241 semiannually to review the performance and discuss current strategy.
242 • Notifying the COMMITTEE in writing of any material deviation from the stated
243 investment approach.

244 Assets are to be managed in conformity with the stated investment guidelines unless, in the
245 manager's opinion, to do so would clearly be imprudent. The Investment Manager shall notify
246 the COMMITTEE *in writing* immediately of any material deviations from the investment
247 guidelines.

SECTION B
Spending Rule Policy

248 The amounts available for distributions from the FUND shall be determined in accordance with
249 this Section B.

250 All Saints Perpetual Memorial Fund. Funds available for distribution from the All Saints
251 Perpetual Memorial Fund will be determined by using a total return principle, i.e., return derived
252 from dividends and interest *as well as* realized and unrealized capital gains. The funds available
253 for distribution during any one year will be limited to a percentage of the market value of the All
254 Saints Perpetual Memorial Fund that is based on a three-year rolling average, with measures
255 taken at the end of each of the preceding twelve (12) quarters. The market value for this purpose
256 will be taken net of the fees for investment management.

257 The percentage of the All Saints Perpetual Memorial Fund made available for distribution shall
258 be determined each year by the COMMITTEE and will normally fall in the range of 3% to 5%.
259 In so doing, market performance of the portfolio will be an important consideration. It will be the

260 goal of the COMMITTEE to grow, or at least maintain, the purchasing power of the All Saints
261 Perpetual Memorial Fund taking into account the impact of inflation and fees.

262 Any unexpended funds from those available for distribution in a given year will be accrued and
263 will continue to be considered available for distribution in subsequent years unless otherwise
264 designated by action of the COMMITTEE with the approval of the Vestry. Expenses related to
265 the management and administration of the All Saints Memorial Perpetual Fund will be deducted
266 from the funds available for distribution.

267
268 All Saints Columbarium Fund. Funds available for distribution from this sub-fund will be
269 determined by the Columbarium Committee in accordance with the terms of the contracts with
270 the niche owners and the rules and regulations of the Columbarium Committee. Distributions
271 will be made at the direction of the Columbarium Committee.

272
273 P.B. Ruda Memorial Music Fund. Funds available for distribution from this sub-fund will be
274 determined in a manner consistent with the determination made for funds available for
275 distribution from the All Saints Perpetual Memorial Fund. The funds will be used at the direction
276 of the Minister of Music.

277
278 All Saints Investment Fund. Funds available for distribution from this sub-fund will be
279 determined in a manner consistent with the determination made for funds available for
280 distribution from the All Saints Perpetual Memorial Fund except (i) as provided by the donor or
281 (ii) upon a two-thirds vote of the Vestry at two consecutive, regularly scheduled meetings,
282 additional distributions may be made (i) for the purposes set forth in the Enabling Resolution or
283 (ii) to the operating budget in accordance with the provisions of Section 14 of the Plan of
284 Operation; provided that such additional distributions are not inconsistent with any donor
285 restrictions.

SECTION C *Disposition of Bequests Policy*

286
287 This policy statement governs the disposition of *bequests* which, for purposes of this statement,
288 will mean any type of gift in which the assets are transferred upon the death of the donor. The
289 assets may be in any form, such as cash, securities, personal property, real property, etc.

290 The bequest may identify the beneficiary in one of two general ways: All Saints Church *of the*
291 *Episcopal Diocese of Washington* or some other wording such as *All Saints Church, Chevy*
292 *Chase, MD* or *The Endowment Fund or the Investment Fund of All Saints Church* or similar
293 wording.

294 Bequests with **All Saints Church** as beneficiary can be of two general types:

295 **a. Restricted:** The donor has identified a specific purpose(s) to which the funds should be
296 directed. The Vestry will guarantee that the use(s) to which those funds are applied is faithful to
297 the donor's wishes. The funds may be directed by the Vestry to their designated purpose(s) either
298 as a sub-fund or part of a sub-fund within the FUND, or by direct expenditure of the funds
299 through the Treasurer of the Parish.

300 **b. Unrestricted:** The expectation of the Parish is that such a bequest will be transferred to the
301 Investment Fund. This policy specifically acknowledges, however, that from time to time truly
302 extraordinary needs of the Parish may arise to necessitate and exception to this policy. In such a
303 situation, the Rector and the Senior Warden will assess the particular circumstances giving rise
304 to an urgent need. If they judge the particular circumstances to be truly extraordinary and that no
305 other financial resources of the Parish are available or expected to be available in time to fulfill
306 the urgent need, they may make a recommendation to the Vestry that the bequest be placed in the
307 general funds of the Parish and be used to address the urgent need. Final authority for granting
308 such an exception will rest with the Vestry.

309 Bequests designating the endowment as beneficiary are automatically transferred to the All
310 Saints Perpetual Memorial Fund upon receipt. If the bequest was given for a designated purpose,
311 then the value of the assets will be applied to establish a sub-fund of the FUND, as provided for
312 in this Section C and Section E. If the bequest to the FUND is otherwise undesignated, the assets
313 will be directed to that portion of the corpus of the FUND where earnings are unrestricted.
314

SECTION D *Gift Acceptance Policy*

Purpose

315 This gift acceptance policy will provide guidelines to representatives of the Parish who may be
316 involved in the acceptance of gifts, to outside advisors who may assist in the gift planning
317 process, and to prospective donors who may wish to make gifts to the Parish. However,
318 individual donors are encouraged to seek their own legal, tax and financial advice before
319 completing a gift and this Gift Acceptance Policy is not meant to be relied on as professional
320 advice to an individual. This policy is intended only as a guide and allows for some flexibility on
321 a case-by-case basis. The gift review process outlined here, however, is intended to be followed
322 closely.

Gift Review Committee

323 Any questions which may arise in the review and acceptance of gifts to the Parish will be
324 referred to the Gift Review Committee. The Committee, unless otherwise designated by the
325 Vestry, will be comprised of the full Endowment and Investment Fund COMMITTEE.
326

Internal Revenue Service Requirements

327 The Parish shall adhere to all Internal Revenue Service (“IRS”) requirements relating to
valuation and disposition of gifts and will provide appropriate forms to the donor and IRS.
328

Cash

- 329 1) All unrestricted gifts by check shall be accepted by the Vestry on behalf of the Parish
330 regardless of amount. All restricted gifts of cash shall be subject to the provisions of Section
331 E of these guidelines.
- 332 2) Checks shall be made payable to the Parish. In no event shall a check be made payable to an
333 individual who represents the Parish in any capacity.

Publicly Traded Securities

- 334 1) Readily marketable securities, such as those traded on a stock exchange, can be accepted by
335 the Vestry on behalf of the Parish.
336 2) The value of the gift of securities is the average of the high and low prices on the date of the
337 gift.
338 3) A gift of securities to the Parish is usually liquidated immediately.

Closely Held Securities

- 339 1) Non-publicly traded securities may be accepted after consultation with the Gift Review
340 Committee. The fair market value will be determined by a qualified appraisal report (within
341 the meaning of the IRS rules and regulations) paid for by the donor.
342 2) The Gift Review Committee will explore methods for liquidation of the securities through
343 redemption or sale **prior to acceptance**. The Gift Review Committee will try to determine:
344 a) Any restrictions on transfer
345 b) Whether and when an initial public offering might be anticipated
346 3) No commitment for repurchase of closely held securities shall be made prior to completion of
347 the gift of the securities.

Real Estate

- 348 1) Any gift of real estate must be reviewed by the Gift Review Committee.
349 2) Normally, the donor is responsible for obtaining and paying for an appraisal of the property.
350 The appraisal will be performed by an independent and professional agent and will constitute
351 a "qualified appraisal" within the meaning of the IRS rules and regulations.
352 3) The appraisal must be based upon a personal visitation and internal inspection of the property
353 by the appraiser. Also, whenever possible, the appraisal must include documented valuation
354 of comparable properties located in the same area.
355 4) The formal appraisal should contain photographs of the property, the tax map number, the
356 assessed value, the current asking price, a legal description of the property, the zoning status,
357 and complete information regarding all mortgages, liens, litigation, or title disputes.
358 5) The Parish reserves the right to require an environmental assessment of any potential real
359 estate gift.
360 6) The property must be transferred to the Parish prior to any offer or contract for purchase
361 being made.
362 7) The donor may be asked to pay for all or a portion of the following:
363 a) Maintenance costs
364 b) Real estate taxes
365 c) Insurance
366 d) Real estate broker's commission and other costs of sale
367 e) Appraisal costs
368 8) For gift crediting and accounting purposes, the value of the gift is the appraised value of the
369 real estate. This value may be reduced, however, by the costs of maintenance, insurance, real
370 estate taxes, broker's commission, and other expenses of sale.

Life Insurance

- 371 1) A gift of a life insurance policy must be referred to the Gift Review Committee.
372 2) The Parish can be named a contingent beneficiary or the beneficiary of a percentage of a life
373 insurance policy

- 374 3) The Vestry will accept **ownership** of a life insurance policy as a gift only if the Parish is
375 named as the owner and beneficiary of 100% of the policy.
376 4) If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the
377 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

- 378 1) Any gift of tangible personal property shall be referred to the Gift Review Committee prior
379 to acceptance.
380 2) Gifts of jewelry, artwork, collections, equipment, and software shall be assessed for their
381 value to the Parish. Their value may be realized either by being sold or used in connection
382 with the Parish's exempt purpose.
383 3) In accordance with IRS requirements and depending upon the anticipated value of the gift, a
384 qualified outside appraiser may be asked to determine its value.

Deferred Gifts

- 385 1) The Parish encourages deferred gifts in its favor through any of a variety of vehicles:
386 a) Charitable gift annuity (or deferred gift annuity)
387 b) Pooled income fund
388 c) Charitable remainder trust
389 d) Charitable lead trust
390 e) Bequest
391 f) Retained life estate
392 2) The Parish (or its agent) shall not act as an executor (personal representative) for a donor's
393 estate. A member of the Parish staff serving as personal representative for a member of the
394 Parish does so in a personal capacity and not as an agent of the Parish.
395 3) The Parish (or its agent) shall not act as trustee of any charitable remainder trust.
396 4) The Parish may invite prospective donors to consider gift vehicles offered by The Episcopal
397 Church Foundation (ECF) (specifically, Charitable Remainder Trusts, Charitable Gift
398 Annuities, and the Pooled Income Fund).
399 5) When donors are provided planned gift illustrations or form documents by ECF, these will be
400 provided free of charge. For any planned gift related documents, materials, illustrations,
401 letters, or other correspondence, the following disclaimer should be included:

402 ***All Saints strongly urges you to consult with your attorney, financial and/or tax advisor***
403 ***to review this information provided to you without charge or obligation. This***
404 ***information in no way constitutes legal or financial advice.***

- 405 6) All information obtained from or about donors/prospects shall be held in the strictest
406 confidence by Parish staff and volunteers. Neither the name nor the amount nor the
407 conditions of any gift shall be published without the express written or oral approval of the
408 donor and/or beneficiary.

409 7) The Parish may seek qualified professional counsel in the exploration and execution of all
410 planned gift agreements. The Parish recognizes the right of fair and just remuneration for
411 professional services.

412 8) The Vestry, upon the advice of the Gift Review Committee, reserves the right to
413 decline any gift that does not further the mission of the Parish. Also, any gifts that would
414 create an administrative burden or cause the Parish to incur excessive expenses may be
415 declined.
416

SECTION E
Donor Restricted Gifts

417 Restricted gifts and bequests in the amount of less than \$25,000 shall not be accepted. For this
418 purpose, an otherwise unrestricted gift or bequest shall not be considered restricted if the only
419 restriction is that the gift or bequest be placed in a specific, existing sub-Fund.
420

421 A separate and designated fund within the FUND may be established for gifts in the amount of
422 \$25,000 or more. The Vestry must vote to accept a restricted gift for the purpose(s) described by
423 the donor, or it has the responsibility to reject the gift.

424 If accepted, the assets may be merged with other assets of the FUND for investment purposes,
425 but the identity and designated purpose of each sub-fund is preserved individually.

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

429 Income, realized gains or losses, and unrealized gains or losses are allocated quarterly to each
430 sub-fund based on its market value relative to the total market value of the FUND at the end of
431 the previous quarter. New gifts are then added and withdrawals are subtracted to arrive at the
432 new value of the designated sub-fund on the last day of the quarter. Expenditures are limited to
433 the purposes specified in the designation and are governed by the FUND's Spending Rule
434 Policy.
435

APPENDIX A: SUB-FUNDS WITHIN THE FUND

1. ALL SAINTS CHURCH PERPETUAL MEMORIAL FUND

436 *Type of Endowment Fund:* True endowment
437 *Purpose:* To enable the Parish to fulfill its mission more completely by developing its ministries
438 beyond what is possible through its annual operating funds. Distributions from the FUND
439 therefore shall be limited except in “dire circumstances” to: (i) capital improvements of the
440 Parish; (ii) additional outreach ministries and grants; (iii) seed money for new ministries and
441 special one-time projects; and (iv) such other purposes as are specifically designated by donors
442 to the Parish whose gifts are included in the FUND.
443 *Spending Policy:* Total return, normally 3% to 5% of a rolling three-year average fund value
444 *Protection of Corpus:* To be held in perpetuity, protected by the Uniform Prudent Management
445 of Institutional Funds Act (“UPMIFA”)

2. ALL SAINTS INVESTMENT FUND

446 *Type of Endowment Fund:* Quasi, Vestry designated
447 *Purpose:* To enable the Parish to fulfill its mission more completely by developing its ministries
448 beyond what is possible through its annual operating funds. Distributions from the FUND
449 therefore shall be limited except as provided by the donor or in “dire circumstances” to: (i)
450 capital improvements of the Parish; (ii) additional outreach ministries and grants; (iii) seed
451 money for new ministries and special one-time projects; and (iv) such other purposes as are
452 specifically designated by donors to the Parish whose gifts are included in the FUND.
453
454 *Spending Policy:* Total return, normally 3% to 5% of a rolling three-year average fund value
455 except (i) as provided by the donor and (ii) the Vestry under certain circumstances may make
456 additional distributions
457 *Protection of Corpus:* Corpus may be spent down following a 2/3 vote of the Vestry at two
458 consecutive meetings

3. ALL SAINTS COLUMBARIUM FUND

459 *Type of Endowment Fund:* Not an endowment
460 *Purpose:* Maintenance, repair and modification of All Saints Columbarium and the purchase,
461 repair, refurbishment or addition of any rectory and such other purposes as agreed by the
462 Columbarium Committee, Vestry and Rector
463 *Spending Policy:* As needed for the purposes set forth above *Protection of Corpus:* Corpus may
464 be spent down for the purposes set forth above

4. P.B RUDA MEMORIAL MUSIC FUND

465 *Type of Endowment:* True Endowment
466 *Purpose:* For use in the All Saints music program as determined by the Minister of Music
467 *Spending Policy:* Total return, normally 3% to 5% of a rolling three-year average fund value
468 *Protection of Corpus:* To be held in perpetuity, protected by the UPMIFA