

**All Saints Church  
Chevy Chase, MD**

**Restated Endowment and Investment Fund Policies and Guidelines**

~~October 18, 2016~~

# All Saints Church

## **Restated** Endowment and Investment Fund Policies and Guidelines

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## ENABLING RESOLUTION

### CONCERNING THE ~~ESTABLISHING AN~~ ENDOWMENT AND INVESTMENT FUND FOR ALL SAINTS CHURCH CHEVY CHASE, MD

1 WHEREAS, ~~on October 18, 2016, the Vestry Christian stewardship involves the faithful~~  
2 ~~management of all of God's gifts—time, talent, the created world, and money, including~~  
3 ~~accumulated, inherited, and appreciated assets; and~~

4  
5 ~~WHEREAS, Christians can give to the work of the Church through a variety of gift~~  
6 ~~vehicles, in addition to cash, including bequests in wills, life income gifts, annuities, trusts,~~  
7 ~~life insurance policies, real estate, securities, and other assets; and~~

8  
9 ~~WHEREAS, it is the desire of this Parish to encourage, receive, and administer these gifts~~  
10 ~~in a manner faithful to the loyalty and devotion to God expressed by the donors and in~~  
11 ~~accord with the canons of the Episcopal Church and the Diocese of Washington and the~~  
12 ~~policies of this Parish; and~~

13  
14 ~~WHEREAS, the Vestry previously established the All Saints' Foundation, Inc. (the~~  
15 ~~"Foundation"), a tax exempt Maryland Nonstock Corporation; and~~

16  
17 ~~WHEREAS, the Foundation is dissolving and will transfer all of its assets to All Saints~~  
18 ~~Church,~~

19  
20 ~~THEREFORE, BE IT RESOLVED that this Parish, through action of its Vestry,~~  
21 ~~established a new and separate fund to be known as "The Endowment and Investment Fund"~~  
22 ~~(hereafter called the "FUND"), of All Saints Church, 3 Chevy Chase Circle, Chevy Chase, MD~~  
23 ~~20815, initially consisting of the following sub-funds (described more fully in Appendix A to~~  
24 ~~the attached Restated Endowment and Investment Committee Policies)~~

~~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;

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

~~WHEREAS, on October 18, 2016, the Vestry also established (i) an ENDOWMENT AND INVESTMENT FUND COMMITTEE (the "COMMITTEE") to have oversight responsibility for the FUND, (ii) a Plan of Operation for the FUND, and (iii) Endowment and Investment Fund Policies and Guidelines (the "Guidelines") for the FUND;~~

~~WHEREAS, based on its experience in implementing the FUND, the Plan of Operation, and the Guidelines, the Vestry desires to amend and restate the Plan of Operation and the Guidelines to among other things provide for regular distributions from the Fund and certain additional distributions as may be determined by the Vestry;~~

~~BE IT RESOLVED that the Plan of Operation and the Guidelines are restated to read as follows:  
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) capital improvements of the Parish; (ii) additional outreach ministries and grants; (iii) seed money for new ministries and special one-time projects; and (iv) such other purposes as are specifically designated by donors to the Parish whose gifts are included in the FUND.~~

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

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

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

## **RESTATED PLAN OF OPERATION**

### **1. Composition of the COMMITTEE**

The COMMITTEE shall consist of (5) regular members, all of whom shall be members in good standing of All Saints Church. They shall be appointed by the Vestry. Additionally, the Rector, Senior Warden and Treasurer shall be ex-officio members of the COMMITTEE without votes. No member of the COMMITTEE shall be a current member of the Vestry or employed by the Parish. Except as herein limited, the term of each appointed member shall be three (3) years. The Vestry will stagger the terms of members to maximize continuity over time. No member shall serve more than two consecutive three (3) year terms. After a

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63 lapse of one (1) year, former COMMITTEE members may be reappointed. In the event of a  
64 vacancy on the COMMITTEE, the Vestry shall appoint a member to complete the unfulfilled  
65 term. Upon the completion of the term, that person would be eligible for reappointment to  
66 one normal three (3) year term.

## 2. Resignation, Removal of COMMITTEE Member

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

## 3. Roles of the COMMITTEE

72 The COMMITTEE will oversee the management of the invested funds and monitor the  
73 distributions from the FUND in compliance with the approved Spending Rule Policy (*Section B* of  
74 the attached Restated Endowment and Investment Fund Policies and Guidelines (the  
75 “Guidelines”)) as amended from time to time by the COMMITTEE with the approval of the  
76 Vestry and in accordance with the purposes and distribution policies defined in this resolution.

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

81  
82 The COMMITTEE shall operate in accordance with the Guidelines, as they may be amended  
83 from time to time by the COMMITTEE with the approval of the Vestry.

84  
85 No member of the COMMITTEE shall engage in self-dealing or transactions with the FUND in  
86 which the member has direct or indirect financial interest and each member shall at all times  
87 refrain from any conduct in which his/her personal interests would conflict with the interests of  
88 the FUND.

## 4. Frequency of Meetings

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

## 5. Quorum

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

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

#### 6. Officers and Duties

97 The COMMITTEE shall elect from its membership a chairperson and a secretary. The  
98 chairperson, or member designated by the chairperson, shall preside at all COMMITTEE  
99 meetings. The secretary shall maintain complete and accurate minutes of all meetings of  
100 the COMMITTEE and supply a copy thereof to each member of the COMMITTEE. The  
101 secretary shall also supply a copy of the minutes to the Vestry in a timely manner. The  
102 Treasurer of the church shall maintain complete and accurate books of account for the  
103 FUND. The books will be audited as part of the Parish annual audit.

#### 7. Procedures and Reports

104 The Treasurer of the church shall establish procedures to assure that copies of all  
105 documents (including any checks) relating to any gift are promptly provided to the  
106 COMMITTEE so that the COMMITTEE may identify the nature of any restrictions relating to  
107 the gift and determine whether such restrictions prevent the acceptance of the gift or  
108 require that the Vestry formally accept the gift in accordance with the Guidelines as  
109 amended from time to time by the COMMITTEE with the approval of the Vestry. The  
110 Treasurer shall also establish procedures to assure that after the documents are reviewed  
111 by the COMMITTEE the gifts are promptly remitted to the FUND.

112  
113 The COMMITTEE shall report on a ~~semi-annual~~~~quarterly~~ basis to the Vestry and such  
114 report shall include a listing of the gifts received during the preceding ~~six months~~~~quarter~~  
115 and a summary of the investment performance of the Fund for that ~~period~~~~quarter~~. In  
116 addition, at each annual meeting of the Parish, the COMMITTEE shall render a full and  
117 complete account of the administration of the FUND during the preceding year.

#### 8. Professional Counsel and Other Expenses

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

#### 9. Investments

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

#### 10. Funds for Specific Purposes

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

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

#### 11. Indemnification

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

139  
140 Notwithstanding the previous sentence, no indemnification shall be provided for any such person with  
141 respect to any matter in which that person is adjudicated not to have acted in good faith on behalf of the  
142 Parish or in which the Vestry, in good faith, makes such a determination.

143  
144 All Saints shall provide the same (or if not readily available, substantially the same) Directors and  
145 Officers liability insurance coverage for each Member of the COMMITTEE as that provided each  
146 member of the Vestry.

147

#### 12. Holding of Assets, Action to Sell

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

#### 13. Acceptance of Gifts to the FUND

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

#### 14. Distributions from the FUND

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

161  
162 The amounts available for distributions from the FUND shall be determined in accordance with  
163 the Spending Rule Policy of Section B of the Guidelines as amended from time to time by the  
164 COMMITTEE with the approval of the Vestry.

165  
166 ~~Distributions from the FUND shall not be made to the operating budget of the Parish except to~~  
167 ~~fulfill the purposes described in this resolution, with one exception. In the event that the Parish is~~  
168 ~~in dire circumstances, meaning its viability as a continuing church is in jeopardy in the judgment~~  
169 ~~of the Vestry, the Vestry may use (i) the income of the Fund other than income which was~~  
170 ~~designated by the donor for a specific purpose that is inconsistent with its use for the operating~~  
171 ~~needs of the Parish and (ii) the principal of the Investment Fund and any other *quasi* endowment~~  
172 ~~fund for the operating needs of the Parish, following a two-thirds vote of the Vestry at two~~  
173 ~~consecutive, regularly scheduled meetings.~~

174 ~~No portion of the FUND shall be "borrowed" including any "temporary usage" for other needs~~  
175 ~~of the Parish inconsistent with the stated purposes of the FUND.~~

15. ~~Amendment of this Resolution~~

176 Any amendment to this ~~Restated Plan of Operation or the Guidelines~~~~resolution~~ shall be adopted by  
177 a vote of at least two-thirds (2/3) of the membership of the Vestry at two consecutive, regularly  
178 scheduled meetings.

16. Disposition or transfer of the FUND

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

184 ~~The foregoing resolution is hereby adopted by the Vestry this \_\_\_\_ day of~~  
185 ~~\_\_\_\_\_, 2016.~~

186 All Saints Church  
187 Chevy Chase, MD

188 \_\_\_\_\_ Attest:  
189 \_\_\_\_\_ (print name) \_\_\_\_\_

189 \_\_\_\_\_ (signature) \_\_\_\_\_  
190 Senior Warden \_\_\_\_\_ Clerk



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

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**SECTION A**  
***Investment Policy Statement***

***Purpose***

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

***Responsibility***

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

***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 a total return commensurate with the Spending Policy and achieve growth in principal to keep pace with inflation, net of all investment fees.

**INVESTMENT GUIDELINES**

***Time Horizon***

The FUND'S investment objectives and strategic asset allocation 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 COMMITTEE shall not invest in private placement, restricted stock or other illiquid issues, commodities futures, arbitrage, and other uncovered options and shall not engage in short sales,

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

**Standard Asset Allocation and Diversification**

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

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

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

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

**Allocation of Responsibilities**

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

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

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

***Responsibilities of the CUSTODIAN***

251 The CUSTODIAN is responsible for:

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

***Responsibilities of the INVESTMENT MANAGER(S)***

257 The investment manager is responsible for:

- 258 • Designing an investment strategy within policies established by the  
259 COMMITTEE.  
260 • Implementing security selection and timing within policy guideline limitations.  
261 • Supplying timely written quarterly reports of investment performance results to  
262 the COMMITTEE.  
263 • Meeting and/or communicating in writing with the COMMITTEE at least  
264 semiannually to review the performance and discuss current strategy.  
265 • Notifying the COMMITTEE in writing of any material deviation from the stated  
266 investment approach.

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

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

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

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

280 The percentage of the All Saints Perpetual Memorial Fund made available for distribution shall  
281 be determined each year by the COMMITTEE and will ~~not exceed~~ ~~normally fall in the range of~~  
282 ~~3% to~~ 5%. In so doing, market performance of the portfolio will be an important consideration.

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

The amount made available with respect to each year shall be communicated by the COMMITTEE to the Vestry by March 1 of the succeeding year. That amount shall be distributed to the Vestry (to be used as the Vestry determines) by June 1 of that succeeding year unless the Vestry by May 1 directs that a smaller amount or no amount be distributed.

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 COMMITTEE with the approval of the Vestry. Expenses related to the management and administration of the All Saints Memorial Perpetual Fund will be deducted from the funds available for distribution.

All Saints Columbarium Fund. Funds available for distribution from this sub-fund will be determined ~~jointly~~ by the Columbarium Committee, ~~the Vestry and the Rector as provided in accordance with the terms of the contracts with the niche owners and~~ the rules and regulations of the Columbarium Committee. ~~Distributions will be made at the direction of the Columbarium Committee.~~ Distributions will be made at the direction of the Columbarium Committee.

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

The amount made available with respect to each year shall be communicated by the COMMITTEE to the Minister of Music by March 1 of the succeeding year. That amount shall be distributed as the Minister of Music directs (to be used as the Minister of Music determines) by June 1 of that succeeding year unless the Minister of Music by May 1 directs that a smaller amount or no amount be distributed.

All Saints Investment Fund. Funds available for distribution from this sub-fund will be determined in a manner consistent with the determination made for funds available for distribution from the All Saints Perpetual Memorial Fund.

The amount made available with respect to each year shall be communicated by the COMMITTEE to the Vestry by March 1 of the succeeding year. That amount shall be distributed to the Vestry (to be used as the Vestry determines) by June 1 of that succeeding year unless the Vestry by May 1 directs that a smaller amount or no amount be distributed.

Additional distributions from this sub-fund may be made~~except~~ (i) as provided by ~~the~~ donor or (ii) upon a two-thirds vote of the Vestry at two consecutive, regularly scheduled meetings ~~for such purposes as the Vestry determines, additional distributions may be made (i) for the purposes set forth in the Enabling Resolution or (ii) to the operating budget in accordance with the provisions of Section 14 of the Plan of Operation;~~ provided that such additional distributions are not inconsistent with any donor restrictions.

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**SECTION C**  
***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: All Saints Church of the Episcopal Diocese of Washington or some other wording such as *All Saints Church, Chevy Chase, MD* or *The Endowment Fund or the Investment Fund of All Saints Church* or similar wording.

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

**a. Restricted:** The donor has identified 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 by the Vestry to their designated purpose(s) either as a sub-fund or part of a sub-fund within the FUND, or by direct expenditure of the funds through the Treasurer of the Parish.

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

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

**SECTION D**  
***Gift Acceptance Policy***

***Purpose***

This gift acceptance policy will provide guidelines to representatives of the Parish 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 Parish. However, individual donors are encouraged to seek their own legal, tax and financial advice before completing a gift and this Gift Acceptance Policy is not meant to be relied on as professional

advice to an individual. 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 Committee***

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

#### ***Internal Revenue Service Requirements***

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.

#### ***Cash***

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

#### ***Publicly Traded Securities***

- 1) Readily marketable securities, such as those traded on a stock exchange, can be accepted by the Vestry on behalf of the Parish.
- 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 usually liquidated immediately.

#### ***Closely Held Securities***

- 1) Non-publicly traded securities may be accepted after consultation with the Gift Review Committee. The fair market value will be determined by a qualified appraisal report (within the meaning of the IRS rules and regulations) paid for by the donor.
- 2) The Gift Review Committee will explore methods for liquidation of the securities through redemption or sale **prior to acceptance**. The Gift Review Committee will try to determine:
  - a) Any restrictions on transfer
  - b) 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 must be reviewed by the Gift Review Committee.
- 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 and will constitute a “qualified appraisal” within the meaning of the IRS rules and regulations.
- 3) The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, the appraisal must include documented valuation of comparable properties located in the same area.

- 398 4) The formal appraisal should contain photographs of the property, the tax map number, the  
399 assessed value, the current asking price, a legal description of the property, the zoning status,  
400 and complete information regarding all mortgages, liens, litigation, or title disputes.  
401 5) The Parish reserves the right to require an environmental assessment of any potential real  
402 estate gift.  
403 6) The property must be transferred to the Parish prior to any offer or contract for purchase  
404 being made.  
405 7) The donor may be asked to pay for all or a portion of the following:  
406 a) Maintenance costs  
407 b) Real estate taxes  
408 c) Insurance  
409 d) Real estate broker's commission and other costs of sale  
410 e) Appraisal costs  
411 8) For gift crediting and accounting purposes, the value of the gift is the appraised value of the  
412 real estate. This value may be reduced, however, by the costs of maintenance, insurance, real  
413 estate taxes, broker's commission, and other expenses of sale.

#### ***Life Insurance***

- 414 1) A gift of a life insurance policy must be referred to the Gift Review Committee.  
415 2) The Parish can be named a contingent beneficiary or the beneficiary of a percentage of a life  
416 insurance policy  
417 3) The Vestry will accept **ownership** of a life insurance policy as a gift only if the Parish is  
418 named as the owner and beneficiary of 100% of the policy.  
419 4) If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the  
420 policy's replacement cost.  
421 5) If the policy is partially paid-up, the value for gift crediting and accounting purposes is the  
422 policy's cash surrender value. (For IRS purposes, the donor's charitable income tax  
423 deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess  
424 of the cash surrender value.)

#### ***Tangible Personal Property***

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

#### ***Deferred Gifts***

- 428 1) The Parish encourages deferred gifts in its favor through any of a variety of vehicles:  
429 a) Charitable gift annuity (or deferred gift annuity)  
430 b) Pooled income fund  
431 c) Charitable remainder trust  
432 d) Charitable lead trust  
433 e) Bequest  
434 f) Retained life estate

- 435 2) The Parish (or its agent) shall not act as an executor (personal representative) for a donor's  
436 estate. A member of the Parish staff serving as personal representative for a member of the  
437 Parish does so in a personal capacity and not as an agent of the Parish.
- 438 3) The Parish (or its agent) shall not act as trustee of any charitable remainder trust.
- 439 4) The Parish may invite prospective donors to consider gift vehicles offered by The Episcopal  
440 Church Foundation (ECF) (specifically, Charitable Remainder Trusts, Charitable Gift  
441 Annuities, and the Pooled Income Fund).
- 442 5) When donors are provided planned gift illustrations or form documents by ECF, these will be  
443 provided free of charge. For any planned gift related documents, materials, illustrations,  
444 letters, or other correspondence, the following disclaimer should be included:
- 445 ***All Saints strongly urges you to consult with your attorney, financial and/or tax advisor***  
446 ***to review this information provided to you without charge or obligation. This***  
447 ***information in no way constitutes legal or financial advice.***
- 448 6) All information obtained from or about donors/prospects shall be held in the strictest  
449 confidence by Parish staff and volunteers. Neither the name nor the amount nor the  
450 conditions of any gift shall be published without the express written or oral approval of the  
451 donor and/or beneficiary.
- 452 7) The Parish may seek qualified professional counsel in the exploration and execution of all  
453 planned gift agreements. The Parish recognizes the right of fair and just remuneration for  
454 professional services.
- 455 8) The Vestry, upon the advice of the Gift Review Committee, reserves the right to  
456 decline any gift that does not further the mission of the Parish. Also, any gifts that would  
457 create an administrative burden or cause the Parish to incur excessive expenses may be  
458 declined.

#### SECTION E ***Donor Restricted Gifts***

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

463

464 A separate and designated fund within the FUND may be established for gifts in the amount of  
465 \$25,000 or more. The Vestry must vote to accept a restricted gift for the purpose(s) described by  
466 the donor, or it has the responsibility to reject the gift.

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

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



472 Income, realized gains or losses, and unrealized gains or losses are allocated quarterly to each  
473 sub-fund based on its market value relative to the total market value of the FUND at the end of  
474 the previous quarter. New gifts are then added and withdrawals are subtracted to arrive at the  
475 new value of the designated sub-fund on the last day of the quarter. Expenditures are limited to  
476 the purposes specified in the designation and are governed by the FUND's Spending Rule  
477 Policy.  
478

## APPENDIX A: SUB-FUNDS WITHIN THE FUND

### 1. ALL SAINTS CHURCH PERPETUAL MEMORIAL FUND

*Type of Endowment Fund:* True endowment

*Purpose:* 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 except in “dire circumstances” to: (i) capital improvements of the Parish; (ii) additional outreach ministries and grants; (iii) seed money for new ministries and special one-time projects; and (iv) such other purposes as are specifically designated by donors to the Parish whose gifts are included in the FUND.~~

*Spending Policy:* Total return, ~~upnormally 3%~~ to 5% of a rolling three-year average fund value

*Protection of Corpus:* To be held in perpetuity, protected by the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”)

### 2. ALL SAINTS INVESTMENT FUND

*Type of Endowment Fund:* Quasi, Vestry designated

*Purpose:* 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 except as provided by the donor or in “dire circumstances” to: (i) capital improvements of the Parish; (ii) additional outreach ministries and grants; (iii) seed money for new ministries and special one-time projects; and (iv) such other purposes as are specifically designated by donors to the Parish whose gifts are included in the FUND.~~

*Spending Policy:* Total return, ~~upnormally 3%~~ to 5% of a rolling three-year average fund value except (i) as provided by the donor and (ii) the Vestry under certain circumstances may make additional distributions

*Protection of Corpus:* Corpus may be spent down following a 2/3 vote of the Vestry at two consecutive meetings

### 3. ALL SAINTS COLUMBARIUM FUND

*Type of Endowment Fund:* Not an endowment

*Purpose:* Maintenance, repair and modification of All Saints Columbarium and the purchase, repair, refurbishment or addition of any rectory and such other purposes as agreed by the Columbarium Committee, Vestry and Rector

*Spending Policy:* As needed for the purposes set forth above

*Protection of Corpus:* Corpus may be spent down for the purposes set forth above

### 4. P.B RUDA MEMORIAL MUSIC FUND

*Type of Endowment:* True Endowment

*Purpose:* For use in the All Saints music program as determined by the Minister of Music

*Spending Policy:* Total return, ~~upnormally 3%~~ to 5% of a rolling three-year average fund value

*Protection of Corpus:* To be held in perpetuity, protected by the UPMIFA