

Enabling Resolution

Establishing an Endowment Fund

For St. Peter's Episcopal Church

WHEREAS it is desirable to broaden the opportunities for parishioners and others to provide financial support for St. Peter's; and

WHEREAS a growing parish needs to expand its various ministries to reach out to the Greenville community in new ways and to provide new avenues for service by its members; and

WHEREAS it is desired to provide funds to the Parish from a source outside the normal giving by parishioners for the benefit of the parish.

THEREFORE BE IT RESOLVED that the Parish, through action of its Vestry, establishes an endowment to be known as "The St. Peter's Family Endowment" (hereinafter the Endowment) of St. Peter's Episcopal Church, 910 Hudson Road, Greenville SC.

BE IT FURTHER RESOLVED that the purpose of the Endowment is to provide funding for the 1) expansion of Parish ministries, 2) supporting church related education of its parishioners, 3) the capital needs of the Parish, and 4) such other purposes as are designated by donors to the Endowment.

BE IT FURTHER RESOLVED that monies from the Endowment shall not be provided to the operating budget of the Parish except as described in paragraph 6 below.

BE IT FURTHER RESOLVED that a Board of Trustees (hereinafter the "Trustees") is hereby established. The Trustees shall have oversight responsibility of the Endowment and its composition and duties are described below.

1. Composition of the Trustees

The Trustees shall consist initially of five (5) members who are members in good standing of the Parish. No trustee shall be the Parish Treasurer or a member of the Vestry.

The Trustees, sitting as a Committee of the Whole, shall nominate candidates to replace members whose terms are expiring. Every effort shall be made to nominate a slate of candidates which exceeds the number of trustees to be replaced. The Vestry shall appoint trustees from the list of nominees. Initial nominations shall be made by the current Endowment Committee.

The term of each trustee shall be three years: except initially 2 trustees will be appointed for three years, 2 for two years, and 1 for one year. No trustee shall serve more than two consecutive terms. After a lapse of one (1) year a former trustee may be reappointed. In the event of a vacancy, the Vestry shall appoint a person to fill the unexpired term.

The Trustees have the authority to determine if a sitting trustee's continued presence is counterproductive or detrimental to the mission and goals of the Endowment. In that event, the trustee may be removed from office by a vote of 75% of the total Trustee membership.

The Rector of the Parish shall be an ex-officio member of the Trustees but shall not have voting privileges.

From its members, the Trustees will select a Chairman and a Secretary.

The Trustees shall meet at least once a calendar quarter and shall keep records of all its actions.

A quorum shall consist of a majority of the trustees. All actions shall require an affirmative vote of a majority of all trustees.

2. Powers of the Trustees

The Trustees shall have all of the powers necessary to carry out the mission of the Endowment. The powers shall include, but are not limited to, the following:

- a. Receive cash, certificates of deposit, securities, real and personal property, and other valuables deemed appropriate by the Trustees.
- b. Receive income, rents and proceeds generated by the assets of the Endowment.
- c. Oversee the investing, selling, and reallocation of the assets of the Endowment.

- d. Hold securities and other investments in the name of the Endowment, vote by proxy any shares of stock, and exercise any associated conversion privileges.
- e. Hold uninvested any portion of the assets of the Endowment deemed appropriate.
- f. Employ suitable investment advisors, accountants, counsel, and other professionals and pay their fees, or employ full or part time staff.
- g. Pay all costs and expenses of the Endowment.
- h. Donate, give away, or otherwise divest the earnings, both income and capital gains, of the Endowment in furtherance of its purposes. In no cases shall the principal of the Endowment be divested except as provided for by the donor of a restricted gift in writing at the time of the gift or in accordance with paragraph 6 below.
- i. Develop and promulgate policies regarding the acceptance of donations, including real and personal property, the restrictions to be met by donors of gifts for a restricted purpose, determining the amount of funds to be distributed in any year and other policies deemed appropriate by the Trustees.
- j. To increase or decrease the number of trustees as is appropriate at the time based on the size of St. Peter's and the assets of the Endowment; provided, however, that there shall always be at least five (5) trustees and an odd number of Trustees.

This listing of powers is not intended to be all inclusive. It will likely be necessary for the Trustees to exercise other powers to accomplish the goals of the Endowment and the Vestry recognizes that such situations may arise.

3.Responsibilities of Trustees

The responsibilities of the trustees shall be to:

- a. Use due diligence to assure that all actions taken operate for the benefit of the Endowment and are in accordance with its purposes and vision.
- b. Do nothing that would affect the tax exempt status of the Endowment or St. Peter's.

- c. Assure that all actions taken by the Trustees are in conformance with the South Carolina Uniform Prudent Management of Institutional Funds Act (SC Code Section 34-6-10 *et seq*).
- d. Maintain all Endowment assets in bank, investment, or other accounts that are separate and distinct from the accounts of St. Peter's.
- e. Assure that accurate meeting minutes and accounting records are maintained of all decisions and transactions. Meeting minutes shall be made available to the Parish.
- f. Prepare and make available to the Vestry and parishioners quarterly financial reports.
- g. Annually, have prepared an independent audit of the Endowment's financial records.
- h. Prepare an annual report to the Parish that includes, but is not limited to, contact information of the trustees; donations during the year; distributions during the year and the organizations or people who received funds and if appropriate, the amounts; the audited financial report; and other information as appropriate.
- i. Prepare material for distribution to the parish discussing the benefits of making gifts to the Endowment and the various methods to do so. Respond, in a confidential manner, to requests from parishioners and others desiring assistance in making gifts, bequests, and other donations

4. Liability of Trustees

Each trustee shall act in good faith in conducting the business of the Endowment. Each trustee shall be liable only for his/her own conduct and shall not be liable for the acts or omission of any other trustee. No trustee shall engage in self dealing or transactions with the Endowment in which the trustee has a direct or indirect financial interest and shall refrain from any conduct in which his/her personal interests would conflict with the interests of the Endowment.

5. Compensation and Expenses of Trustees

The trustees of the Endowment shall serve without compensation; however, their reasonable expenses in connection with their service shall be paid by the Endowment.

6. Extraordinary Funds Requests

It is recognized that extraordinary needs of the parish may occur which can only be resolved by using funds from the Endowment. If such a situation arises, the Senior Warden, the Treasurer, the Trustees Chairman, and the Rector shall assess the situation to assure that the circumstances are truly extraordinary and that no other financial resources of the Parish are available or expected to become available in time to fulfill the urgent need. Upon such determination by 75% of these people, the Vestry shall request a statement of the amount of Unrestricted Principal (as defined in the Disposition of Bequests Policy) available. The Vestry, by a two-thirds vote of the total membership of the Vestry acting at two consecutive regularly scheduled meetings, may direct the Trustees to provide the necessary funds up to, but not exceeding, the Unrestricted Principal.


7. Dissolution of St. Peter's or the Endowment

In the event St. Peter's or the Endowment is to be dissolved, the assets of the Endowment shall be handled in accordance with the Canons of The Episcopal Church and the Episcopal Diocese of Upper South Carolina.

8. Amendments

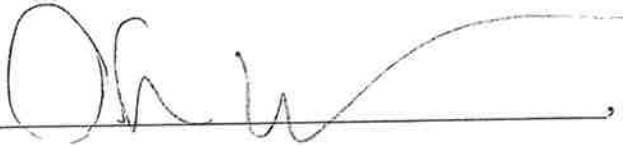
This Resolution may be amended by a vote of two-thirds of the total membership of the Vestry acting at two consecutive, regularly scheduled meetings.

Enacted this 14 th day of December, 2013

 _____,

Judy Taylor, Senior Warden

Attest

 _____,

Shayne Williams, Clerk of the Vestry

St. Peter's Family Endowment

Identification and Acceptance of Gifts Policy

I. Identification of Gifts

Gifts to the St. Peter's Family Endowment ("Endowment") must be identified by the word "endowment" somewhere in the document transferring the gift; be it a check, letter, will, etc. Any gift not so identified will be sent to the Treasurer of the Parish for the general or restricted Parish funds.

Gifts to the Endowment shall be reviewed by the Trustees, or a committee thereof, and handled in accordance with this policy. A gift may be designated for a specific purpose in writing at the time the gift is made and must meet the criteria set forth in II.H. below. All other gifts will be considered unrestricted.

II. Acceptance of Gifts

A. Definitions

1. Restricted Gifts – a restricted gift is a gift where the donor requires that the earnings from the investment of the principal of the gift be used only for a specific purpose.
2. Security – a security is any one of the following: stocks, bonds, mutual funds, exchange traded funds, commercial paper, or other similar instruments.
3. Unrestricted Gift – an unrestricted gift is a gift where the earnings can be used for any authorized Endowment purpose.

B. Cash

1. Unrestricted gifts of cash or check shall be accepted regardless of amount. Checks shall be made out to St. Peter's Family Endowment or to St. Peter's with Endowment in the memo line, or similar wording.
2. Restricted cash gifts must meet the criteria set forth in paragraph II. H. below.
3. Checks made out to an individual person will not be accepted.

C. Securities

1. Securities traded on a US stock exchange will be accepted.
2. The value of the gift of securities shall be the average of the high and low prices on the date of the gift.
3. Non-publicly traded securities may be accepted provided satisfactory information is supplied by the Financial Advisor (as defined in the Investment Policy) regarding the value of the security, the ability to sell the stock, and other factors the advisor deems pertinent.
4. Securities gifts may be liquidated or retained in the Endowment's portfolio at the discretion of the Trustees.

D. Real Estate

1. A gift of real estate shall be the subject of discussions between the donor and the Trustees. A trustee shall visit the property to determine its location, current use, and general condition. If the Trustees agree that the property is appropriate for transfer to the Endowment, a real estate agent will be asked to provide advice on the ability to sell the property and the necessity for a Phase 1 Environmental study. A professional appraisal of the property and a title search by firms acceptable to both the donor and the Endowment shall be made and paid for by the donor. The trustees will then decide whether or not to accept the gift. If accepted, the donor shall be responsible for any additional closing costs to deed the property to the Endowment. Such transfer shall occur prior to any formal offer or contract for purchase is made. The value of the gift shall be the appraised value.

2. Unless the property is to be retained by the Parish for its own use, it shall be placed on the market through a real estate agent upon completion of the deed transfer.

E. Life Insurance

The gift of a life insurance policy shall be the subject of discussions between the Trustees, the donor, and the donor's insurance agent. The donor should be encouraged to make the Endowment a beneficiary or contingent beneficiary of the policy rather than the owner of the policy, but it is recognized that this solution may not meet the donor's needs. The discussions will determine the value of the gift, any conditions or responsibilities of the Endowment, especially any continuing policy premiums if the gift is accepted, any continuing responsibilities of the donor and the process of transferring ownership. Upon completion of the discussions the Trustees shall determine whether or not to accept the gift.

F. Tangible Personal Property

1. Gifts of tangible personal property shall be referred to the Trustees for evaluation. If the property is believed to have significant value an independent appraisal

of the value shall be obtained and paid for by the Endowment. The value of the gift shall be the appraised value. For gifts of significant value, the donor should obtain the advice of tax counsel to assure that federal and state tax laws and regulations are followed in determining the value of the gift.

2. If the property is to be sold without an appraisal the value of the gift shall be the sales value.

3. Title for the property shall be conveyed to the Endowment prior to its being sold.

G. Deferred Gifts

1. A deferred gift is a gift by a donor which does not result in the immediate transfer of a useable gift to the Endowment. Examples of deferred gifts are a bequest, a retained life estate, a charitable remainder trust, etc. The Endowment encourages the use of deferred gifts and will work with the donor to help achieve the donor's financial wishes. If requested by the donor, a trustee will work with the donor, his/her financial advisor, and his/her attorney. The trustee shall, if appropriate, inform the donor of the deferred vehicles provided by the Episcopal Church Foundation.

2. Any information or materials supplied by the trustee shall be free of charge and shall carry a disclaimer stating that the donor is advised to consult with their attorney, tax advisor, or financial advisor and the information provided by the Endowment does not constitute legal or financial advice.

H. Restricted Gifts

1. The donor of a gift to the Endowment may restrict the use of earnings from the gift for a specific purpose provided such purpose is consistent with the purposes of the Endowment. The value of the initial gift for a restricted purpose shall be at least \$20,000 or more if a larger amount is necessary to produce the revenue needed to meet the goal of the restriction. Additional gifts for the same purpose may have any value.

2. In establishing the restrictions for the gift the donor shall state whether or not the principal of the gift can be used.

3. The Trustees shall maintain separate records for all restricted gifts including the principal amount, accrued earnings, and disbursements. The restricted funds may be merged with other funds of the Endowment provided that a pro-rata share of the total earnings and expenses shall be credited to the restricted account.

4. Gifts restricted to the general purposes of the Endowment (e.g. education) may be made in any amount. Separate records for such gifts do not need to be kept.

5. In the event that the purpose for which the gift is restricted is accomplished or the organization receiving the distributions from the gift ceases to exist, and the donor has stated the principal is not to be spent, the Trustees shall follow the requirements of the South Carolina Uniform Prudent Management of Institutional Funds Act (SC Code Section 34-6-10 *et seq.*).

I. General Provisions

1. In assisting potential donors with developing the parameters of their gift the Trustees shall keep all conversation, papers, and other materials confidential unless express permission to make the gift public is given in writing by the donor.

2. No trustee or employee of the Endowment may act as an executor/executrix of a donor's estate or as the trustee of any investment vehicle of the donor, except in the case of the death of an immediate family member (parents, spouse, child, grandchild, or sibling). In that case the trustee or employee shall not participate in any discussions or actions related to that donor.

3. The Trustees shall acknowledge all gifts to the Endowment by letter. The letter shall include the donor's name, the date of the gift, the value of the gift, a statement similar to the one used by the Parish that no goods or services were provided to the donor, and any other necessary information.

4. The Trustees reserve the right to accept or reject any gift for any reason.

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St. Peter's Family Endowment
Disposition of Bequests Policy

I. Definitions

- A. Bequest - Any type of gift in which the assets are transferred upon the death of the donor.
- B. Restricted Principal - The value of donated assets which are to be maintained in perpetuity with only the income derived from the asset available for expenditure.
- C. Unrestricted Principal - The value of donated assets with the principal as well as the income derived from the assets available for expenditure.

II. Bequests designating the Endowment

- A. Bequests designating the St. Peter's Family Endowment, St. Peter's Endowment, Endowment Fund or similar wording shall be transferred to the Endowment upon receipt. The value of the bequest shall be Restricted Principal unless otherwise specifically stated in the bequest.
- B. If the bequest is given for a specific purpose, other than the general purposes of the Endowment, the value of the assets will establish a designated fund in the Endowment, provided that the bequest meets the requirements to establish such a fund. If not so designated, the gift will be added to assets of the Endowment the earnings of which may be used for any purpose of the Endowment.

III. Bequests designating St. Peter's Church

- A. Any bequest not specifying the Endowment as the recipient shall be handled in accordance with this section of the policy.
- B. If the bequest designates that the funds are to be used for a specific purpose they may be expended for that purpose by the parish Treasurer. Alternatively, the vestry may direct that the funds be placed in an Endowment restricted fund if the bequest meets the requirements to establish such a fund.
- C. Bequests that do not designate a specific purpose shall be placed in a Transitional Fund. The Vestry may use the monies in the Transitional Fund for any purpose provided that the expenditure is approved by a two-thirds vote

of the total membership of the Vestry at two consecutive regularly scheduled meetings.

- D. Monies in the Transitional Fund shall be expended on a first-in-first-out basis.
- E. Monies from a bequest that are unspent twelve (12) months after receipt shall be transferred from the Transitional Fund to the Endowment. Such transfers shall become Unrestricted Principal and will be available for use in accordance with paragraph 6 of the Enabling Resolution. Earnings from the Unrestricted Principal will be included in the total earnings of the Endowment and shall be handled in accordance with the Distribution Policy.

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St. Peter's Family Endowment

Investment Policy

This policy governs the investment of the funds donated to the Endowment and any earnings therefrom.

1. Investment Strategy

The investment strategy of the Trustees will be based on a time horizon of not less than 10 years and the desire to maximize the total return of the portfolio including interest, dividends, and capital gains. A balanced portfolio shall be maintained in accordance with the provisions below. While some interim fluctuations of market value and rates of return can be tolerated, high levels of risk, high volatility, and low quality rated securities should be avoided.

2. Permitted Investments

The investments permitted under this policy are cash, stocks, bonds and bond anticipation notes, mutual funds, Exchange Traded Funds (ETFs) and other similar investments. Derivatives, hedge funds, and similar instruments are to be avoided. The value of all investments should be able to be readily determined from quoted market prices.

Either domestic or foreign US dollar denominated instruments may be included in the portfolio.

3. Investment Guidelines

The Trustees will maintain a balanced portfolio. The target allocation is 60% equities and 40% fixed income and cash. The allowable range for equities is 40% to 70% and for fixed income and cash is 30% to 60%. It is recognized that market conditions may require deviations from the target allocation and such deviation may be authorized by a majority of the Trustees; however, if such deviation is made a return to guideline levels shall be made as soon as market conditions permit.

The Trustees shall at least annually review the balance of the portfolio and make adjustments as needed to maintain a balanced portfolio.

4. Financial Advisor

The Trustees will seek and hire a qualified professional Financial Advisor, who shall not be a member of the Parish. The Trustees shall meet in person or by conference call at least twice a year with the Financial Advisor to receive a report on the fund earnings, discuss the current state of the financial markets and any portfolio adjustments that should be made.

5. Accountant

At an appropriate time, the Trustees will hire an accounting firm or an accountant to maintain the books of the Endowment. The firm hired shall not be owned, managed, or operated by a member of the Parish and the person doing the work shall not be a member of the Parish. Prior to hiring a firm or person, the Trustees, or a subcommittee thereof, shall establish a chart of accounts and a set of records that shall record donations to the principal of the Endowment, earnings on invested funds, distributions from the Endowment , and other appropriate information. In establishing these records the trustees or subcommittee may wish to consult with an accountant, who may be a member of the Parish.

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St. Peter's Family Endowment

Distribution Policy

This policy provides a framework for determining when, how, and how much of the earnings of the Endowment will be distributed. The state of the general economy and market conditions may necessitate deviation from these guidelines. Such deviations will be at the discretion of the Trustees but a return to guideline levels should be made as soon as conditions permit.

1. General

In considering the amount of earnings to be distributed the Trustees should be guided by a primary consideration of retaining and growing the principal of the Endowment while taking inflation into consideration so as to maintain and grow the purchasing power of the Endowment.

2. Distribution Amount

The Trustees shall annually determine the amount of funds to be distributed. The amount shall be a percentage of a twelve quarter rolling average of the quarter ending fund balance. In normal market conditions the amount would be expected to be between 3% and 5% of the total fund balance but not to exceed 5%. Market conditions or the need to increase the Endowment's principal balance may require deviation from this norm. Prior to having twelve quarters of history, the chosen percentage shall be applied to 90% of the end of August fund balance.

In determining the percentage to use, the Trustees shall consider market conditions, the current inflation rate, expected earnings for the year, need to restore or increase the principal balance, and other factors they deem appropriate.

The Trustees will advise the Vestry of the amount available for disbursement in the next year by September 20 of each year.

3. Awarding of Grants

The Vestry shall be responsible for awarding of grants in conformance with the Endowment's stated purposes. The Vestry shall provide the Trustees with a list of the Grantees, the amount of each award, and the time the funds are required by the Grantees so that monies can be appropriately disbursed from the Endowment funds. Grants may be awarded at any time during the year. The total amount of all grants may not exceed the amount made available by the Trustees for the year.

Monies unexpended and uncommitted as of September 1 of each year shall be included in the amount of funds available for the next year.

If requested by the Vestry, the Trustees may act as a "clearing house" for grant requests but must transmit all requests to the Vestry for decision.