



St. Paul's

P A R I S H

ENDOWMENT POLICY

An endowment is a financial asset donation made in the form of investment funds or other property to an institution and is typically designed to keep the principal amount intact while using the investment income to benefit the institution.

Gifts, regardless of size, that will be spent in a relatively short time are not endowments. Such gifts may be for a specific purpose or for general use. These gifts are welcome at any time and the Gift Acceptance Policy governs acceptance.

St. Paul's maintains its endowments using the following policy.

Acceptance

Endowments may be given with no restrictions, in which case the management and use of funds is at the discretion of St. Paul's under the limitations of this Endowment Policy and the Investment Policy. Endowments may also be given with restrictions regarding the management and use of funds, as described below. Endowments by their nature are intended to operate in perpetuity. Therefore restrictions that seem appropriate today may be inappropriate 100 years from now and may actually be a hindrance to fund management. For this reason donors are encouraged to give unrestricted endowments.

Endowment gifts will be accepted consistent with St. Paul's Gift Acceptance Policy and the following additional guidelines:

1. All donors are encouraged to give unrestricted endowment gifts.
2. Because restricted endowments must be managed and accounted for separately in perpetuity, donor restricted endowment gifts must have a total gift value of \$50,000 or more.
 - a. Restrictions may include
 - i. Corpus value
 - ii. Use of funds
 - iii. Distribution rate
 - b. Restrictions may not include
 - i. Investment limitations

3. Endowment gifts with a total gift value of less than \$50,000 are welcome at all times; however they must be unrestricted and will be combined with other unrestricted endowments into the Mission Advance Fund. This fund is a true endowment and is administered under the St. Paul's Investment Policy.
4. Unrestricted bequests to St. Paul's will be considered an unrestricted endowment and combined into the Mission Advance Fund.

Management

St. Paul's Finance Committee is responsible for the investment and distribution of all endowments consistent with St. Paul's Investment Policy Statement.

Distribution Rate

Distributions will be consistent with St. Paul's Investment Policy unless distributions have been restricted in the establishment documents.

Use

Distribution use will be consistent with this Endowment Policy unless use has been restricted in the establishment documents.

Distributions from the Mission Advance Fund or other unrestricted endowments are at the discretion of the Vestry. However, they must be used to:

- Advance the Mission of St. Paul's
- Empower long-term benefits
- Impact community involvement
- Make St. Paul's and its community a better place

In addition to the above guidance, distributed income from unrestricted endowments is not to be routinely used for Operating Budget expenses. However, the Vestry has the authority in unusual and extenuating circumstances to use the distributed income, but not principal, from unrestricted endowments for the Operating Budget. An 80% majority vote is required for this exception and the distributed income so used for the Operating Budget may not exceed 20% of the total Operating Budget for a given year. A new Vestry authorization is required for each year that distributed income is used for the Operating Budget.

This policy is subject to review and revision by the Vestry of St Paul's.

Revision History

The Vestry reviewed and accepted this Endowment Policy on August 27, 2014.