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**Sample Resolution Language to Establish a Legacy Society**

Whereas, we, the Vestry of *(Name of Church)* , being faithful stewards of God’s gifts to us, recognize that all is Gift from God, and

Whereas, we believe that *what we do with what we have is a statement of what we believe*, and

Whereas, we desire to provide a means for the members of *(Name of Church)* to live faithfully into the spirit of passionate generosity for our church and our neighbors,

We hereby authorize the establishment of a Legacy Society for the benefit of the people of *(Name of Church)* as an honorary organization to promote the benefits of planned giving to provide for future ministries.

Further, we charge the *(Stewardship or Endowment or Other Committee)* to provide the leadership to do the work of establishing the Legacy Society and promoting planned giving in our parish.

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Sample Endowment Policy “A”

**ENDOWMENT POLICY STATEMENT**

The mission of the entity is to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

The endowment fund should be used to sustain the entity and to enable it to perform its mission. With that general purpose in mind, the endowment should be subject to the following policies:

1. **To maintain a reserve.**

The endowment fund should have liquid assets in an amount sufficient to operate the entity for a

period of six months in case of a significant decline in the entity’s financial resources. For purposes of this endowment policy statement, “operations of the Entity” includes not only support of the Entity’s staff and physical plant but also the investment of the Entity’s resources, principally its staff and volunteers, in supporting local organizations as well as the other programs of the Entity, including its support to the Parent Organization.

2. **To generate earnings in amounts that may be necessary to supplement the Entity’s annual**

**operating budget.**

Accordingly, the endowment should yield a total return that may be used, if necessary, to sustain the Entity’s operations. Any amount that is not needed to fund the Entity’s operations should remain in the endowment. For purposes of this Policy Statement, the total return which may be drawn on, if needed, for a calendar year shall be no more than \_\_\_% of the value of the assets in the endowment averaged over a rolling twelve (12) quarter period, ending on September 30 of the preceding calendar year. The portion of the endowment that is designated, under paragraph 5 below, for use as a “Special Account” shall not be included in the calculation of total return. By way of example, the total return that may be drawn on for 2003 shall be calculated based on the average of the value of the endowment (excluding the portion that has been designated for use by the Special Account) as of the end of each of the twelve (12) calendar quarters ending on September 30, 2002. The amount that may be withdrawn from the endowment shall not exceed \_\_\_% of the total return for the calendar year, calculated according to the preceding sentences. Withdrawals, if any, from the endowment shall be made in equal quarterly installments.

3. **All unrestricted gifts in excess of $\_\_\_\_\_\_\_\_ shall be added to the endowment.**

4. **The Special Account shall be included in the endowment and shall be a separate designated**

**fund.**

From time to time, the Entity may purchase parcels of real property in strategic areas of the Designated Region for eventual sale to new local organizations to be used for their organizational purposes. In any fiscal year of the Entity, the amount added to the portion of the endowment designated for the Special Account shall not exceed \_\_\_% of the amount of the endowment’s total return (as defined in paragraph 2 above) that can be withdrawn from the endowment for a calendar year, as set forth in paragraph 2 above. The principal function of the Entity shall be to support existing local organizations; purchases of real property shall be subordinate to the principal function. Accordingly, first priority for expenditure of the Entity’s income shall be providing support to existing local organizations.

The proceeds of sale of any real property in the Special Account shall be added to the portion of the endowment that is designated for the Special Account.

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Sample Endowment Policy “B”

**Statement of Endowment Policy**

Approved by the Vestry

on (Date)

**I. Introduction**

Throughout its history the Church has received gifts and bequests of funds intended to provide for the future of the Church. Over time these funds have become known as the Church’s Endowment Fund (“Fund”). The Vestry of the Church, in its desire to preserve and protect the future of these funds and any similar funds that might be received in the future, hereby adopts this Statement

of Endowment Policy.

**II. Endowment**

The Church’s Endowment Fund includes all those funds that are true endowment funds and those funds which are “quasi-endowment” funds. A detailed listing of these funds can be found in the attached Appendix. To clarify, true endowment funds are funds where the donor has stipulated that the original principal is to be maintained in perpetuity and only the income generated by the fund can be distributed. Generally, true endowment funds are created and governed by some

form of legal document (*i.e.,* trust agreement). Quasi-endowment funds are funds that the Vestry has determined will be retained and invested similar to endowment funds.

It is the policy of the Church that all gifts and bequests in excess of $10,000 that are not a part of annual giving will become part of the Church Endowment Fund unless otherwise directed by the donor and will, therefore, become subject to this and any other policies that provide for the distribution, designation, investment, or other aspects of the Fund.

**III. Distributions**

Due to the fluctuating nature of the income stream generated by the Church Endowment Fund and the desire to maintain the purchasing power of the Fund over time, the Vestry of the Church has adopted and hereby readopts a “Total Return” policy with respect to annual distributions from the Fund. Simply stated, this policy is to distribute no more that 5% of the average market value of

the Fund on an annual basis.

More specifically, the 5% is calculated before the start of the fiscal year based on the average of the prior thirteen calendar quarters’ total market value of the Fund ending with September 30. This way an exact distribution can be used in preparing the coming year’s operating and capital budget.

This distribution policy applies to the entirety of the Church Endowment Fund and in no way overrides the terms of any true endowment funds. Nor does it preclude any donor from creating true endowment funds in the future. It does mean that in years when the income generated by true endowment funds is less that 5%, an amount greater than 5% will be taken from quasi-endowment funds.

Likewise, in years when the income generated by true endowment funds is greater than 5%, it will mean that an amount less than 5% will be taken from quasi-endowment funds.

**IV. Designation**

The amount distributed from the Church Endowment Fund will be used to enhance the Church’s operating and capital budget beyond what is possible through the monies raised during the annual stewardship campaign. Specifically, annual distributions from the Church Endowment Fund will be used for capital maintenance and improvements, and program and ministry needs, including such

things as Christian Education, Music, Worship, and Outreach.

This designation policy applies to the entirety of the Church Endowment Fund and in no way overrides any designations that may have been placed on funds by their donor. Nor does it preclude any donor from designating funds in the future.

V. **Amendment**

This policy may be amended by a three-fourths affirmative vote of the entire Vestry, including the Wardens and the Rector, at any meeting for which 21 days’ prior written notice outlining the proposed changes to this policy has been provided to the Vestry. Notice of any approved amendment to this policy will be provided to the entire congregation on a timely basis except for amendments

dealing with changes to the Appendix.