

BURNT STORE PRESBYTERIAN CHURCH ENDOWMENT POLICY STATEMENT

Statement of Purpose

The Burnt Store Presbyterian Church Endowment (the “Endowment”) is a resource that is to be used in service to the Kingdom of God. Donors to the Endowment recognize the opportunity to give a lifetime gift that will strengthen the on-going work of the church in perpetuity. Gifts to the Endowment will allow the church to accomplish much more than would be possible through annual fundraising efforts alone. The assets of the Endowment shall be invested in a manner with the goal to achieve a long-term annual return that outpaces the Spending Formula set forth below over time and that targets growing the corpus of the Endowment in order to keep up with inflation. A portion of the annual income will be distributed to support church activities and projects, while the accumulated assets continue to grow to preserve the purchasing power of the Endowment for the future.

Management of the Endowment

The Endowment will be managed by an Endowment Committee operating under the direction of Session. The Endowment Committee shall consist of two ruling elders serving on Session at the time and three at-large active members of the congregation. The Head-of-Staff/Pastor and the church Treasurer shall be ex-officio members of the Endowment Committee with the right to vote. Except as otherwise provided below with respect to initial terms, the ruling elders on Session shall serve two-year terms on the Endowment Committee. Except as otherwise provided below with respect to initial terms, the at-large active members of the congregation shall serve three-year terms on the Endowment Committee and may be **appointed** by Session to serve one additional three-year term. At the beginning of each calendar year, the Endowment Committee shall elect one of its members to be Chairperson of the Endowment Committee. No person shall hold the position of Chairperson of the Endowment Committee for more than three consecutive calendar years. Initially, as soon as possible following Session’s approval of this Policy Statement, the two ruling elders on the Endowment Committee will be appointed by Session and have staggered terms, with one serving for one calendar year and one serving for two calendar years. Thereafter, prior to the end of each calendar year, Session shall appoint, based on the recommendation of the chair of the Finance and Stewardship Ministry, the chair of the Stewardship Committee and the Pastor(s), a ruling elder on Session for a two-year term to replace any ruling elder on the Endowment Committee whose term will be expiring at the end of that calendar year. Initially, as soon as possible following Session’s approval of this Policy Statement, the Nominating Committee shall recommend to Session three at-large active members of the congregation for appointment by Session to serve on the Endowment Committee, one to serve for three years, one to serve for four years and one to serve for five years as a means of providing continuity. Thereafter, prior to end of each calendar year, the Nominating Committee shall recommend to Session an at-large active member of the congregation for appointment by Session to serve a three- year term to replace any at-large active member on the on the Endowment Committee whose term will be expiring at the end of that calendar year. Endowment Committee members shall avoid any conflict of interest between their respective personal, professional or business interests and the

interests of the Endowment and shall not enter into any transaction with the Endowment for the purpose of personal, professional or business gains.

Responsibilities of the Endowment Committee

1. Development of programs. The Endowment Committee shall be responsible for developing programs to encourage legacy gifts and bequests (collectively hereinafter referred to as "Gifts") to the Endowment. Such programs shall be submitted to Session for approval. If a program is approved by Session, the Endowment Committee shall be responsible for implementing the program.
2. Receiving and acknowledging Gifts. The Endowment Committee shall be responsible for receiving and acknowledging Gifts to the Endowment. When a Gift to the Endowment is received or when the Endowment Committee learns that a Gift to the Endowment will be forthcoming, the Chairperson of the Endowment Committee shall notify the Clerk of Session of such Gift, the donor, the amount of the Gift, the type of Gift (e.g., cash, stock(s), real estate, etc.), and any limitations or restrictions that the donor has imposed upon the Gift. The Clerk of Session shall then pass that information to all other members of Session. Session may reject any Gift which imposes limitations or restrictions that, in the judgment of Session, have goals which are impractical to administer or are contrary to the beliefs or policies of the church. If Session rejects a Gift because of the limitations or restrictions imposed by the donor, the Endowment Committee may attempt to negotiate with the donor to remove or modify the limitations or restrictions to address the concerns of Session. If Session does not reject a Gift, the Endowment Committee shall accept such Gift and send an acknowledgement of the Gift to the donor. Donors giving consent may be named in church publications. If the Gift is stock, the Endowment Committee shall sell such stock as soon as possible and include the proceeds in the Endowment. If the Gift is real estate, the Endowment Committee shall attempt to sell the real estate as soon as possible and include the proceeds of the sale in the Endowment. Any donor preferences regarding recognition or designation of the Gift to a specific Fund of the Endowment shall be documented and respected. Any Gift received by the church that is not specifically designated for the Endowment or one of the Funds of the Endowment shall be credited to the Endowment and allocated among the Funds of the Endowment as follows: 60% to the Rev. Dr. Timothy Stewart Church Legacy Endowment Fund, 25% to the Capital Improvement Endowment Fund, 5% to the Memorial Garden Endowment Fund and 10% to the Mission Endowment Fund, provided, however, that Session, in its discretion, may decide that in the case of a specific Gift that none or only a portion of the Gift will be credited to the Endowment and allocated among the Funds of the Endowment as set forth above.
3. Funds of the Endowment. The Endowment Committee shall be responsible for maintaining and establishing the Funds which comprise the Endowment. Initially the Endowment shall consist of the following four Funds: a. Rev. Dr. Timothy Stewart Church Legacy Endowment Fund, which shall be the repository for Gifts that are designated to supplement the budgets of the Ministries of the church. Income distributed from this Fund will be directed to the Ministries of the church in the church's operating budget. b. Capital Improvement Endowment Fund, which shall be

the repository for Gifts that are designated to support capital improvements to the church. Income distributed from this Fund will be directed to the Capital Improvement Account on the church's balance sheet. c. Memorial Garden Endowment Fund, which shall be the repository for Gifts that are designated to support the maintenance and improvement to the church's Memorial Garden. Income distributed from this Fund will be directed to Memorial Garden account on the church's balance sheet. d. Mission Endowment Fund, which shall be the repository for Gifts that are designated to support the mission activities of the church. Income distributed from this Fund, at the discretion of the Endowment Committee, will be directed to the Mission Ministry funds in the church's operating budget, special mission projects approved by the Endowment Committee or Session, or a combination of the two. Donors may make Gifts to any of the above four Funds in any amount at any time. Donors of Gifts to Funds of the Endowment will be asked to include language similar to the following: "Should a time come when the purpose of this Gift no longer meets the mission and objectives of Burnt Store Presbyterian Church, the donor gives the Endowment Committee and/or Session permission to use the resources in a manner consistent with the objectives and needs of Burnt Store Presbyterian Church."

4. Investment of Monies in the Endowment. The Endowment Committee shall be responsible for investing the monies in the Endowment in accordance with the Endowment Investment Policy approved by Session. The monies from each of the Funds of the Endowment may be commingled for investment purposes but accounted for separately for distribution purposes.
5. Spending Formula. The Endowment Committee shall be responsible for distributing a portion of the annual income from the Endowment. The Spending Formula is the amount of money that will be drawn from the Funds annually as a distribution and spent by the church according to the restrictions of the Funds. The Spending Formula shall be applied to all Funds that are a part of the Endowment. No amounts will be distributed from the Funds until the account balance of all four Funds combined is greater than \$100,000. Prior to October 15 of each year, the Endowment Committee shall calculate the Spending Formula and the amounts to be distributed from each of the Funds for the following year and provide that information to the Clerk of Session and the Treasurer so that the distribution from the Funds can be put in the church budget for the following year. To calculate the Spending Formula, the average account market value of the combined Funds of the Endowment as reported on quarterly account statements for the previous 12 quarters shall be multiplied by 4%. In the event there is not 12 quarters worth of account market value history, the average account market value for as many quarters possible should be used. The amount calculated shall be distributed from the Funds to the church during the first quarter of the year and be expended by the church prior to the end of the year.
6. Reporting. The Endowment Committee shall be responsible for reporting to both Session and the congregation on the status and performance of the Endowment. The reporting requirements shall be viewed as an opportunity to communicate and celebrate the good works of the Endowment. The Endowment Committee shall

report quarterly to Session regarding the performance of the Endowment. At least annually, the Endowment Committee shall report the performance of the Endowment to the congregation in the Smoke Signals. That report should include, but not be limited to, beginning and ending balances, income earned, distributions made, use/designation of the distributions and Gifts received. The Endowment Committee shall also use the annual reporting as an opportunity to encourage future Gifts and to recognize individuals or estates that have made Gifts to the Endowment (when permission has been granted).

7. Records. The Endowment Committee shall be responsible for maintaining detailed records related to the operation of the Endowment. All Endowment records shall be maintained in a manner suitable for audit purposes. Any member of the church may inspect the records of the Endowment at the church on any business day that the Treasurer or Pastor is scheduled to be in the office.
8. Endowment Tiered Recognition – Refer to the attached addendum (Page 5).

Amendments

This Policy Statement may be amended, repealed or replaced by a two-thirds vote of Session. Approved by Session on November 10, 2015. Amended and approved by Session on the 12th day of April 2016. Amended and approved by Session on the 10th day of January 2017.

Addendum to BSPC Endowment Policy

If the donor so chooses, the donor may request recognition for himself or someone else on The Legacy Tree on the terms described below: Level Designation Gift in Dollar Value
1 Green Leaf Pledges/Promises \$1 to \$24,999
2 Gold Leaf \$25,000 to \$99,999
3 Silver Leaf \$100,000 to \$249,999
4 Small Bronze Stone \$250,000 to \$499,999
5 Medium Bronze Stone \$500,000 to \$999,999
6 Large Bronze Stone \$1,000,000 and Higher
7 Walnut Mini Tree

Endowment Tiered Recognition - Guidelines/Notes

1. Gifts that are pledges/promises enter at the Level 1 or Green Leaf Level.
2. Gifts of \$1 up to \$24,999 enter at the Gold Leaf Level.
3. Multiple gifts given by the same person/family over time move up to the appropriate Designation Level.
4. The recognition given to any gift made prior to the effective date of this Addendum shall not be reduced by this Addendum (Approved unanimously by Session on April 20, 2021 to become effective on May 1, 2021)