

Model Donor Agreement
(revised March 2021)

BACKGROUND

In 2009, St. Paul's Episcopal Church, Cary, N.C., formally established an endowment fund - money that will be set aside and invested to provide additional funding to the parish for generations to come. Income from the Endowment will help St. Paul's more completely fulfill its mission by developing its ministries beyond what is possible through annual operating funds. Distributions from the fund shall be used for purposes such as:

- outreach ministries and grants,
- seed money for new ministries and special one-time projects, and
- purposes that are specifically designated by donors.

Distributions from the Endowment shall not be used to fund typical operating expenses that otherwise would fall under the operating budget.

Management of Endowment Funds

St. Paul's Endowment Board has been charged with managing the Endowment funds, including selecting and monitoring investments, determining the amounts disbursed from the fund, and recommending uses for those disbursements. St. Paul's Vestry, as the parish's elected governance body, appoints members to the Endowment Board and provides final approval for disbursements.

It is the Endowment Board's intent to manage the Endowment Fund as a true endowment, meaning donated funds are intended to be preserved in perpetuity. Investment income, including interest and dividends, may be reinvested or disbursed.

The Endowment is managed in compliance with North Carolina's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as well as other relevant statutes and regulations governing the operations of charitable organizations. This law replaces the "historic dollar value" standard for determining expenditures with a prudence standard. UPMIFA does not negate the goal of preserving capital, but does allow expenditures from capital to be made. The Enabling Resolution for St. Paul's Endowment limits such expenditures to extreme circumstances and requires the approval of two-thirds of the Vestry.

Investment objectives and considerations when determining to re-invest or disburse investment income are described below.

Investment Objectives

The Endowment Board determines how the funds within the Endowment will be invested. Investment objectives include:

- providing income that can be used to support St. Paul's mission and ministries,
- growing capital, such that the ability of the Endowment to fund St. Paul's mission and ministries increases over time, and,
- managing exposure to risk, ensuring the overall, long-term ability of the fund to provide income and growth under varying economic conditions.

Disbursement of Funds from the Endowment

The amount to be disbursed each year will be determined by the Endowment Board considering the investment objectives above, as well as the following considerations:

- the duration and preservation of the Endowment;
- the mission and ministry of St. Paul's;
- the purpose of the Endowment;
- general economic conditions;
- the possible effect of inflation or deflation;
- the expected total return from income and appreciation of investments;
- other resources of St. Paul's; and
- the Endowment's investment policy.

Designated Use Funds

Donations to the Endowment may either be placed in the general Endowment or, provided that the gift is at least \$25,000, may be designated for a particular use. (As with all endowment donations, this designated use applies only to the income generated from that gift; if it is the intent of the donor that the principal of the gift also be expended for that purpose, options other than the Endowment may be more appropriate.) Donations to the general Endowment are encouraged since this option provides the church leadership with the most flexibility in responding to future needs as they arise. Designated use gifts must be accepted for that purpose by the Vestry. Once a designated use fund has been approved by the Vestry, subsequent donations can be made to it at any time.

If designated use funds are dedicated to a purpose that becomes obsolete or significantly over-funded, and this obsolescence or over-funding is not just of a temporary nature, St. Paul's Vestry may elect to modify the restrictions on such funds; any new restrictions shall take into account the original donor intentions and shall be made by a two-third majority of the Vestry. It is recommended that the categories used for designated use funds be broad enough that such modification of restrictions should not be necessary except in the rarest of circumstances.

Modification of restrictions may also be made as a necessary result of changes in the applicable laws that govern the management of endowments.

Reporting

It is the intent of the Endowment Board to operate the Endowment as transparently as possible. Each year, the Board will prepare reports for the parish. The annual reports will provide an overview of major decisions made by the Board in the previous year and summarize the investments, investment allocation, performance, and expenditures of the Endowment Fund.

For More Information

The background description provided above is for informational purposes only and not legally binding; the full text of the governing Endowment policies and procedures are available upon request. If you have any questions regarding St. Paul's Endowment, please contact the church office who can put you in touch with the Endowment Board Chair.

AGREEMENT

✎ NAME OF DONOR(S):

✎ PREFERRED CONTACT INFORMATION:

✎ MAY WE RECOGNIZE YOU ON THE LEGACY SOCIETY PLAQUE?

YES NO

✎ IF YES, PLEASE SPECIFY EXACTLY HOW YOU WOULD LIKE YOUR NAME(S) TO APPEAR, for example:

| |
|-----------------------|
| Mr. and Mrs. John Doe |
|-----------------------|

 or

| |
|--|
| Mr. and Mrs. John Doe in memory of Jane Doe |
|--|

 or

| |
|-------------------|
| Jane and John Doe |
|-------------------|

✎ GIFT WILL BE MADE: NOW UPON MY DEATH

✎ AMOUNT OF GIFT:

✎ GIFT TYPE: CASH/CHECK
 STOCK
 OTHER-- PLEASE DESCRIBE:

**✎ PAYMENT SCHEDULE: ONE TIME
 PERIODIC -- PLEASE DESCRIBE:**

✎ MY GIFT SHALL GO:

PLEASE CHECK ONLY ONE:

into the General Endowment.

into an existing Designated Use Fund.

Please specify which existing Designated Use Fund:

into a Designated Use Fund as described below:

(Must be greater than \$25,000 and must be approved by the Vestry.

Please see BACKGROUND section above for acceptable types of uses.)

Years after which designated use funds may be re-designated to the general Endowment:
_____ (optional)

The Endowment Board may wish to recognize the gifts that have been made to the Endowment.

PLEASE CHECK BELOW ONLY IF YOU DO NOT WISH TO BE RECOGNIZED:

I do not wish to be recognized.

I agree to the stipulations outlined in this agreement. I acknowledge that receipt of my gift by St. Paul's does not constitute acceptance, and that a gift review may be necessary.

Donor signature(s) and date:

Upon receipt and acceptance of this gift, St. Paul's Endowment Board intends to adhere to the stipulations within this agreement in the management of donated funds.

Endowment Board Chair signature and date:
