

**St Martha's Church**  
**Endowment & Investment Fund Policies and Guidelines**

**Vestry Addopted** [7/24/18]

**ENABLING RESOLUTION**  
**ESTABLISHING AN ENDOWMENT/INVESTMENT FUND**  
**FOR**  
**ST. MARTHA’S EPISCOPAL CHURCH**  
**BETHANY BEACH, DE**

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WHEREAS, Christian stewardship involves the faithful management of all of God’s gifts – time, talent, the created world, and money, including accumulated, inherited, and appreciated assets; and

WHEREAS, Christians can give to the work of the Church through a variety of gift vehicles, in addition to cash, including bequests in wills, life income gifts, annuities, trusts, life insurance policies, real estate, securities, and other assets; and

WHEREAS, it is the desire of this Parish to encourage, receive, and administer these gifts in a manner faithful to the loyalty and devotion to God expressed by the donors and in accord with the canons of the Episcopal Church and the Diocese of Delaware and the policies of this Parish,

THEREFORE, BE IT RESOLVED that this Parish, through action of its Vestry, establish a new and separate fund to be known as “Mission Fund” (hereafter called the “FUND”) of St. Martha’s Episcopal Church, 117 Maplewood St. Bethany Beach DE 19930. This document replaces the Vestry Resolution creating the St. Martha’s Endowment Fund dated November 20, 2006 and all subsequent amendments.

BE IT FURTHER RESOLVED that the purpose of the FUND is to enable the Parish to fulfill its mission more completely by developing its ministries beyond what is possible through its annual operating funds. Distributions from the FUND therefore shall be limited to its use for expansion of the mission of St. Martha’s Episcopal Church to the area surrounding the Town of Bethany Beach, including but not limited to, expanding its worship space, its religious education, residential space for its clergy and lay persons and its community outreach activities.

BE IT FURTHER RESOLVED that the distributions from the FUND shall not be made to the operating budget of the Parish except to fulfill the purposes described above.

BE IT FURTHER RESOLVED that an ENDOWMENT FUND COMMITTEE (hereafter called the “COMMITTEE”) is hereby established. The COMMITTEE shall have oversight responsibility of the FUND, and its composition and duties are described in the following “Plan of Operation,” which may be amended from time to time (see paragraph 14).

## **PLAN OF OPERATION**

### **1. Composition of the COMMITTEE**

The COMMITTEE shall consist of a minimum of (5) regular members, all of whom shall be members in good standing of St. Martha's Episcopal Church. They shall be appointed by the Vestry. The Rector shall be an ex-officio member of the COMMITTEE without vote. Additionally, the SENIOR WARDEN shall be an ex-officio member of the COMMITTEE without vote unless he or she is a member of the COMMITTEE. The Chairman of the FINANCE COMMITTEE shall not be eligible to serve concurrently on the COMMITTEE. No member of the COMMITTEE shall be employed by the Parish. Except as herein limited, the term of each appointed member shall be three (3) years. The Vestry will stagger the terms of members to maximize continuity over time. No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former COMMITTEE members may be reappointed. In the event of a vacancy on the COMMITTEE, the Vestry shall appoint a member to complete the unfulfilled term. Upon the completion of the term, that person would be eligible for reappointment to a normal three (3) year term.

### **2. Resignation, Removal of Committee Member**

Any regular member of the COMMITTEE may resign at any time by written notice to the Rector. A member ceases to be a member of the COMMITTEE when he or she is no longer a member in good standing of the Parish. A member who fails to attend three consecutive committee meetings without reason may be asked to resign.

### **3. Roles of the COMMITTEE**

The COMMITTEE will oversee and monitor the distributions from the FUND in compliance and accordance with the purposes and distribution policies defined in this resolution.

The COMMITTEE may also develop a comprehensive planned giving program to encourage persons, trusts, and estates to consider making gifts, grants, bequests, or other legacy gifts to St. Martha's Church.

### **4. Frequency of Meetings**

The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best interest of the FUND.

### **5. Quorum**

A quorum shall consist of a majority of the regular members of the COMMITTEE. The affirmative vote of a majority of all committee members shall be necessary to carry any motion or resolution. Ex-officio members are not credited to the above requirement for a quorum.

The secretary shall give reasonable notice of the time and place of each meeting to members by email, mail, or phone.

## **6. Officers and Duties**

The COMMITTEE shall elect from its membership a chairperson and a secretary. The chairperson, or member designated by the chairperson, shall preside at all COMMITTEE meetings. The secretary shall maintain complete and accurate minutes of all meetings of the COMMITTEE and supply a copy thereof to each member of the COMMITTEE, The secretary shall also supply a copy of the minutes to the Vestry in a timely manner. The Treasurer of the church shall maintain complete and accurate books of account for the FUND. The books will be audited as part of the Parish annual audit.

## **7. Reports**

The COMMITTEE shall report on a quarterly basis to the Vestry and, at each annual meeting of the congregation, shall render a full and complete account of the administration of the FUND during the preceding year.

The Vestry shall report on the uses and purposes of expenditures from the FUND each year at the annual meeting of the Parish.

## **8. Professional Counsel and Other Expenses**

The COMMITTEE, at the expense of the FUND, may provide for such auditing and for professional counseling on investments or legal matters as it deems to be in the best interests of the FUND. Committee members shall serve without compensation, but reasonable expenses related to the execution of their duties may be paid from the funds available for expenditure prior to distribution with Vestry approval.

## **9. Investments**

It is understood that currently all funds are invested in Master Fund A managed by the Diocese of Delaware. Should the Parish determine that investment should be elsewhere, the Vestry shall develop an Investment Policy in accordance with the investment guidelines established in the Investment Policy Statement attached as Appendix B.

## **10. Funds for Specific Purposes**

At the discretion of the Vestry, the COMMITTEE may establish additional sub-funds within the FUND for specific purposes.

Also, donors may designate their gifts for a specific purpose. Any donor-restricted designated gifts must be approved by the COMMITTEE and the Vestry. They must meet the requirements of the Donor-Restricted Designated Fund Policy.

## **11. Liability of Members of the COMMITTEE**

Each member of the COMMITTEE shall act in good faith regarding the investment of the assets. Each member shall be liable only for his/her own conduct and shall not be liable for the acts or omissions of any other members. No member shall engage in self dealing or transactions

with the FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interests of the FUND.

**12. Acceptance of Gifts to the Endowment Fund**

In the absence of a Gift Acceptance Policy of the Parish, the COMMITTEE will establish a Gift Acceptance Policy through which decisions will be made as to whether a gift to the FUND or to the Parish shall be accepted.

**13. Distributions from the FUND**

It is the *intent* of this resolution that all funds within the FUND shall be managed in perpetuity as if they were *true* endowments. Distributions from the FUND shall not be made to the operating budget of the Parish except to fulfill the purposes described in this resolution.

**14. Amendment of this Resolution**

Any amendment to this Resolution shall be adopted by a vote of at least two-thirds (2/3) of the membership of the Vestry at two consecutive, regularly scheduled meetings. Any amendment regarding the use of the corpus of the **quasi** endowment shall be handled within the above-established distribution rules.

**15. Disposition or transfer of the FUND**

In the event the Parish ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the FUND shall be at the discretion of the Vestry in conformity with the approved congregational constitution and in accord with diocesan canons and the Bishop of the Diocese of Delaware. It may be appropriate to consult with the Episcopal Church Foundation to determine the manner in which FUND obligations will be met after the Parish ceases to exist.

The foregoing resolution is hereby adopted by the Vestry this \_\_\_\_ day of \_\_\_\_\_, 2018.

St. Martha's Episcopal Church  
Bethany Beach, Delaware

_____ (print name)	Attest: _____
_____ (signature)	_____
Senior Warden	Clerk

# **APPENDIX A: ENDOWED FUNDS OF ST MARTHA’S CHURCH**

## **1. MISSION FUND**

*Type of Fund:* Donor-restricted

*Purpose:*

*Spending Policy:* In accordance with the stated purpose of the Fund

*Protection of Corpus:* The corpus is held in perpetuity by the Diocese of Delaware and represents the return from the sale of Lighthipe Property bequeathed to the Diocese of Delaware for the benefit of St Martha’s Church. The return is transferred to St Martha’s Mission Fund.

## **2. BETHANY ENDOWMENT FUND**

*Type of Fund:* Investment Fund

*Purpose:* As needed

*Spending Policy:* At the discretion of the Vestry

*Protection of Corpus:* None

## **3. BOWERS FUND**

*Type of Fund:* Investment Fund

*Purpose:* As needed

*Spending Policy:* At the discretion of the Vestry

*Protection of Corpus:* none

## **4. LIGHTHIPE CASH FUND**

*Type of Endowment Fund:* Investment Fund

*Purpose:* As needed

*Spending Policy:* At the discretion of the Vestry

*Protection of Corpus:* None

# **APPENDIX B: INVESTMENT POLICY STATEMENT**

## **Purpose**

This Investment Policy Statement establishes the philosophy, guidelines and investment objectives for managing the investments of the FUND.

## **Responsibility**

The ultimate responsibility for managing the FUND resides with the Vestry which has chosen to delegate portions of its responsibility to the COMMITTEE, which will administer the portfolio of the FUND in accordance with these guidelines, as adopted and amended from time to time. These guidelines shall be reviewed at least annually by the COMMITTEE to determine whether they should be amended or remain unchanged. The COMMITTEE may choose to employ an outside investment manager.

## **Objectives**

The assets of the FUND are to be invested with the same care, skill and diligence that a prudent investor would exercise in investing institutional endowment funds. The primary objective will be to provide long-term growth of principal and income without undue exposure to risk.

## **INVESTMENT GUIDELINES**

### ***Time Horizon***

The FUND'S investment objectives and strategic asset allocation are based on a long-term time horizon.

### ***Risk Tolerance***

Because of its long-term time horizon, the FUND can tolerate some interim fluctuation in market value and rates of return in order to achieve its objectives. High level risk, high volatility and low quality rated securities, however, are to be avoided.

### ***Prohibited Investments***

The COMMITTEE shall not invest in private placement, restricted stock or other illiquid issues, commodities' futures, arbitrage and other uncovered options, and shall not engage in short sales, margin transactions or other similar specialized investment activities; however, the use of funds that use these investment activities in a constructive manner are permitted.

### ***Portfolio Diversification***

The investment objectives should be achieved through a diversified portfolio, which may include but is not limited to large-cap, mid-cap, small-cap U.S equities, international equities (both developed and emerging markets), bonds and cash. Mutual funds, common trust funds, exchange traded funds, and notes representing any of these asset classes may be used.

### ***Investment Discretion***

These guidelines are not intended to restrict or impede the efforts of the COMMITTEE to attain the FUND’s objectives, nor are they intended to exclude the COMMITTEE from taking advantage of appropriate opportunities as they arise. The COMMITTEE shall have discretion and flexibility to implement the objectives and policies herein set forth.

***Asset Allocation***

Because securities markets may vary greatly throughout a market cycle, the COMMITTEE may change the asset mix of the FUND within the following ranges as long as that mix meets the overall objectives and is consistent with the policy guidelines herein set forth. The FUND shall be allocated between equity investments and bonds and/or other fixed income securities.

The strategic target allocation shall be within the following ranges:

	<u>Low</u>	<u>Target</u>	<u>High</u>
EQUITIES:	40%	60%	70%
FIXED INCOME:	30%	40%	60%
CASH:	0%	0%	20%

The target allocation among equity classes shall be determined periodically (and at least annually) by the COMMITTEE in consultation with the investment manager(s) to reflect a prudent response to current market conditions.

*[The targets and ranges noted here are for example only. Please consult with your investment manager about the best allocation for your portfolio considering your planned draw, expected inflation, risk tolerance and fees. A more detailed breakdown of sub-asset classes within equities and fixed income, with targets and ranges, can be added.]*

***Investment Goals***

While maintaining the asset mix within the above guidelines, the COMMITTEE accepts a risk level for the FUND’s overall investment program that is intended to produce a total annual return adequate to cover these components: expenditures from the FUND (as determined annually by the COMMITTEE under the Spending Rule Policy), inflation, and fees.

***Reporting***

The quarterly report provided by the COMMITTEE to the Vestry will include the fund value, any changes in the asset allocation strategy, and the investment performance. The report shall reflect compliance with the objectives, policies, and guidelines set forth herein.

*[For accounts that have more than \$1 million to invest, or expect to be there shortly, ECF offers a more detailed Investment Policy Statement that includes sub-asset class strategic targets and ranges and defines the respective roles of the committee, custodian, and investment manager in more detail.]*