

## **Presbytery of Northern New York Policy for Receiving Endowments, Bequests and Special gifts**

- I. Preamble.** The term endowment has been defined as to enrich and to provide an income. The phrase "Endowment Fund" signifies a special resource for income and enrichment. For The Presbytery of Northern New York, it is a resource providing future financial stability.

It is understood that special gifts and bequests should not take the place of faithful stewardship of current income, but should be made to enable the presbytery to continue and extend its mission in the future, both here and abroad. The gifts toward which this policy is directed may include bequests in wills, charitable remainder trusts, transfers of property, life income gifts, assignments of life insurance and special or memorial gifts. Such gifts are to be encouraged, and shall be used with care and sensitivity.

The purpose of this policy is to establish a regular procedure for the receipt, management and disposition of bequests and special gifts that are received by this presbytery but are not part of regular presbytery operation.

With the creation of this endowment fund, the Gifts, Memorials and Bequests Fund will be absorbed by the Presbytery of Northern New York Endowment Fund. Memorial gifts to the presbytery will be placed in this fund in memory of the deceased.

- II. Definition of terms:** What does this presbytery mean by endowment? In accounting terms, an endowment is made up of monies in which the principal cannot be spent and the income from the assets shall be spent.

**Planned Giving.** A "planned gift" is a carefully considered way of giving one's accumulated, inherited and appreciated resources for the support and perpetuation of the church's mission.

The gift may come as a "Direct Gift", or a "Deferred Gift".

- \* "Direct Gifts" are gifts that are given directly to the Endowment Fund in the form of cash, publicly traded securities, closely held securities, real estate property, tangible personal property or other property.
- \* "Deferred Gifts" are gifts that are promised but deferred until a later date through wills (bequests), Charitable Remainder Trusts, and Charitable Gift Annuities.

The gift may be either "Designated" or "Undesignated".

- "Designated Gifts" are gifts that are given with a specific purpose.

- “Undesignated Gifts” are gifts that are given without a specified purpose. The presbytery encourages undesignated gifts and bequests.

In accepting or rejecting these gifts, the Trustees will follow the guidelines of the Endowment Fund Policy.

- III. Accepting or rejecting gifts:** Planned gifts and memorials received in the name of The Presbytery of Northern New York will be directed to the Presbytery of Northern New York Endowment Fund unless otherwise specified by the donor.
- A. The church encourages undesignated gifts and bequests. However, if a will, or the instructions accompanying other special gifts, designates a purpose for which a gift is to be used, the gift will be used accordingly. If the designated purpose has already been achieved or is otherwise not a practical use of the gift, the Trustees will bring a recommendation for action to the presbytery. If necessary, the Trustees will seek the advice of legal counsel. If it is not possible for the Trustees to negotiate a change in designation with the donor or donor’s representative, the gift may be declined.
- B. All gifts accepted in the form of property will be converted to cash at their fair market value as soon as is practicable, except in the event the Trustees deems it appropriate to maintain certain property received in other than cash form.
- IV. Amendments and modifications:** The Endowment Fund may be amended or modified in accordance with the By-laws of The Presbytery of Northern New York.
- V. Borrowing:** Withdrawal beyond the normal distributions described in this policy will be allowed only **if the fiscal health of the Presbytery of Northern New York requires the endowment to be invested in a different form.** Such action must be recommended by the Trustees and approved by a two-thirds vote at a presbytery meeting.
- VI. Distribution in the event the presbytery merges or becomes defunct.** In the event that The Presbytery of Northern New York ceases to exist or plans to merge with another presbytery, disposition or transfer of the Endowment Fund **shall be done in accordance with the Book of Order.**
- VII. Responsibility for education, acceptance, investment and use of the Endowment Fund:**

A. The Trustees are responsible for the acceptance of gifts and the allocation of funds.

1. The Trustees will work cooperatively with the appropriate presbytery committees in soliciting projects for funding and in making the determination of distributions from the fund.
2. The Trustees **will invest the funds in a separate account with the same financial management institution holding the majority of the investments of the presbytery.**
3. The Trustees **will recommend a percentage not to exceed 4% of the current value of the endowment to the presbytery indicating how much money will be available for that year for distribution.**
4. The Trustees recommendations for use of distributions will be referred to the presbytery for approval.

**VIII. Relief from liability of the Trustees:** The Board of Trustees shall not suffer any personal liability whatsoever, either jointly or separately, by reason of such investments for the Endowment Fund as stated in the By-laws.

**IX. Adoption:** The Presbytery of Northern New York Endowment Fund policy shall be adopted by vote of the presbytery in accordance with presbytery By-laws.

**X. Reporting Process:**

- A. Adoption of the Endowment Fund will be voted on by the presbytery at a stated or special meeting.
- B. A report on the Endowment Fund will be presented to the presbytery at the annual meeting.
- C. Publicity and Solicitation. The Trustees will be responsible for publicizing information about the Fund, how it is used and how members can contribute to it.

**XI. Spending from Endowments:**

- A. The original investment of \$ \_\_\_\_\_ must be maintained in the Endowment Fund.

- B. Deferred gifts cannot be considered as monies available for spending until they are actually received. Designated gifts will also not be considered as monies available for spending.
- C. The amount available for spending per year will be calculated by taking 4% of the value of the fund at the end of the year. The average value will be calculated annually on December 31<sup>st</sup>. If this amount invades the original principal the percentage available for spending will be reduced. Once the amount is determined those funds will be available for spending during the next 12-month period.