

The Board of the Endowment Fund of the Episcopal Church of St. John the Baptist

Document A

Policy Regarding the Disposition of Bequests

1. General

This policy statement governs the disposition of bequests which, for purposes of this statement, will mean any type of gift in which the assets are transferred upon the death of the donor. The assets may be in any form, such as cash, securities, personal property, real property, and so on. The bequest may identify the beneficiary in one of two general ways:

- a. " St. John the Baptist Church of the Episcopal Diocese of El Camino Real " or some other wording such as, "St. John's Episcopal Church."
- b. "The Endowment Fund of St. John the Baptist Episcopal Church" or similar wording.

2. Bequests Made to the Parish of St. John the Baptist Episcopal Church

Bequests with "St. John the Baptist Episcopal Church" or such other wording as described in Paragraph 1(a) above, shall be received and held by the Vestry in such fund or funds as determined by the Vestry and the Board of the Endowment Fund. Such bequests can be of two general types:

- a. "Designated," in which the donor has identified a specific purpose(s) to which the funds should be directed. The Vestry has ultimate responsibility to determine that the use(s) to which those funds are applied is faithful to the donor's wishes. The funds may be directed to their designated purpose(s) in one or more of the following ways: (1) as a designated fund to be held and administered by the Vestry; (2) as an endowment, in which case the funds would be established as a designated fund of the Parish Endowment Fund; or (3) by direct expenditure of the funds through the treasurer of the Parish.
- b. "Undesignated," in which case the Vestry and Rector have greater freedom in determining their ultimate use. The Vestry may direct the expenditure of all or a portion of such funds through the treasurer of the Parish for any purpose that the Vestry deems proper. If the Vestry determines that the funds would better serve the Parish by being added to the Endowment Fund, such funds shall be transferred to the Fund, to be governed by the Board of the Endowment Fund, pursuant to the guidelines set forth below in Paragraph 3, and such spending guidelines as may be adopted and amended by the Endowment Board from time to time, in response to the needs of the Parish of St. John the Baptist.

3. Bequests Made to the Parish Endowment Fund

Bequests with the beneficiary designation as "The Endowment Fund of St. John the Baptist Episcopal Church" or such other wording as described in Paragraph 1(a) above, shall, upon receipt, be automatically transferred to the Endowment Fund. The Board of the Endowment Fund shall be the custodian of the Endowment Fund. If the bequest is given for a designated purpose, then the value of the assets will be applied to establish a designated fund of the Endowment Fund, as provided for in a separate policy (See Document B). The expendable funds made available by that specific bequest may only

be used for the designated purpose. If the bequest to the Endowment Fund is otherwise undesignated, the assets will be directed to that portion of the corpus of the Endowment Fund whose expendable funds are unrestricted.

4. General Procedures for Receiving Bequests

The procedure for handling bequests begins with the treasurer of the Parish, who will see that any cash is immediately deposited and held in the appropriate bank account pending a decision regarding the final disposition of the bequest. The treasurer will prepare copies of relevant documents and distribute them to the appropriate offices of the Parish, including the Rector, the senior warden, the finance committee, and the chair of the Endowment Board. The liquidation of securities will be handled according to the normal practices of the treasurer of the Parish. The method, timing, agent, etc., for the liquidation of other assets (such as real estate or personal property) will be decided by the Vestry (if the bequest is to the Parish) or by the Endowment Board if the bequest is to the Endowment Fund.

5. Appropriate **acknowledgments** of bequests will be given to the donor(s) by the Rector and by the Chair of the Board of the Endowment Fund in a timely manner.

Adopted by action of the Board of the Endowment Fund of St. John the Baptist Episcopal Church, this _____ day of _____, 2004.

(Dated)

Chairperson

(Dated)

Secretary