

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

Document B

Policy Regarding Designated Funds of the Endowment Fund

A separate and designated fund of the Endowment Fund may be established for gifts in the amount of \$25,000 or more. These assets are merged with other assets of the Endowment Fund for investment purposes, but the identity and specified purpose of each fund is preserved individually, pursuant to the provisions of the donor's gift.

This fund is established effective the last day of the quarter in which the gift is received. The value is determined either by the actual value, if received by the Endowment Fund in cash, or the market value of the asset(s) determined on the date the fund is established.

Income, realized gains or losses, and unrealized gains or losses are allocated quarterly to each fund based on its market value relative to the total market value of the Endowment Fund at the end of the previous quarter. New gifts are then added and withdrawals are subtracted to arrive at the new value of the designated fund on the last day of the quarter.

The funds made available for expenditure, under the formula defined in the Spending Policy are limited to the specific purposes designated by the donor. These unspent funds increase the total market value of the designated fund and continue to accrue earnings until expended.

The Board of the Endowment Fund may agree to establish a designated fund in an amount less than \$25,000, with the assurance of the donor(s) that the fund will be added to over time and that the \$25,000 minimum level will be met within a period of 36 months. Until such time as the minimum level is reached and a designated fund is established, no earnings will be available for expenditure. The portion of the earnings attributable to that fund shall accrue and become part of it to more readily move the fund to the \$25,000 minimum level.

The minimum gift amount of \$25,000 may be revised from time to time to take account of inflation or other important factors.

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

, Chairperson
The Endowment Board

, Secretary