

**POLICIES OF
ST. PAUL’S PARISH VESTRY**

(As of May 24, 2011)

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POLICIES OF ST. PAUL'S PARISH VESTRY

(As of May 24, 2011)

1. GUIDING PRINCIPLES

Policy 1.1 – Mission Statement: The Parish Mission Statement shall be as follows: “St. Paul’s Parish seeks to: Restore all people to God, and to each other, through Sacramental Worship and Christlike living.” (Adopted June 2000, amended September 2001, October 2008)

Policy 1.2 – Stewardship: We the clergy and members and officers of the Vestry of St Paul’s Parish affirm that we are called to commit ourselves and our parish to Christ. This commitment includes all that we have: our time, our talent, and our treasure. We affirm the biblical tithe of 10 percent as the minimum standard of giving. While the stewardship of what has been given to us involves more than money, we recognize that tithing of our money is a necessary response to Christ’s teaching: “Where your treasure is, there will your heart be also.” We invite all of God’s people, particularly those of this parish, to join us in this witness of our faith. (Adopted September 1991, amended September 1992, September 2001)

Policy 1.3 – Parish Tithe: The Vestry must commit 10% of budgeted pledge income of St. Paul’s Parish in 2005 to ministries outside the Parish and should strive to increase that commitment to at least 10% of all revenues. (Adopted September 2004, amended May 2007)

2. PARISH GOVERNANCE

Policy 2.1 – Delegates to the Diocesan Convention: The Diocesan Delegation (lay delegates and alternates, Wardens, and clergy) shall (A) perform the canonical responsibilities of representing the parish at the diocesan convention and diocesan regional meetings; (B) meet with the Vestry before the convention and report back to the Vestry thereafter; and (C) serve as a resource on diocesan matters and as a talent pool for other diocesan meetings during the interim. The report of the nominating

committee for lay delegates to the diocesan convention shall include the names of incumbent delegates, identified as such with note of the number of years served. (Adopted April 1987, amended September 1989, September 2001)

Policy 2.2 – Executive Committee: At each Vestry meeting, the Executive Committee should report any actions taken on behalf of the Vestry and such actions should be recorded in the Vestry minutes. (Adopted September 1989, amended September 2001)

Policy 2.3 – Ministries Teams:

There shall be Ministries Teams to focus the parish's efforts on mission and ministry, emphasize interrelatedness and coordination among its ministries and activities, provide the flexibility necessary to accomplish its goals, streamline and simplify how it operates, and enhance accountability.

- A. The Rector and leaders of the Ministries Teams shall meet collectively from time to time to coordinate the activities of the teams, and Vestry liaisons will be assigned to the Ministries Teams.
- B. The following Ministries Teams (whose responsibilities may include those listed below) shall exist:
 - 1. Stewardship: Responsible for the Columbarium Committee, the Human Resources Committee, the Grounds Committee, the Finance Committee, the Endowments Board, the Stewardship Committee, the Legacy Society and the Foundation for the Future Campaign.
 - 2. Worship: Responsible for Acolytes, Lectors, the Altar Guild, Music, Ushers, Chalice Bearers, Daily Office Officiants, the Flower Guild, and Shrine Prayers.
 - 3. Evangelization: Responsible for Newcomers/Receptionists, Greeters and Sound System, Friends of St. Paul's, Publicity, Parking Lot Assistance, The Epistle, Hospitality and the Parish website.
 - 4. Formation: Responsible for Adult Formation, Children/Young People's Formation, the Library, the Tract Rack, Devotional Societies, the Director of Christian Formation, the Parish Catechist, the Awareness Foundation, and the Canterbury Club.

5. Pastoral Care: Responsible for the Nursery, Lay Visitors, Plant Distribution, Lay Eucharistic Visitors, Carpe Diem, Fidelitas, Women's Group and First Tuesday Fellowship.
 6. Mission: Responsible for Domestic Hunger/Homeless Ministries and Foreign Ministries.
- C. Parish Catechist: Assists the clergy in preparing candidates of all ages for the rites of Baptism, Reception, Confirmation, and Reaffirmation of Baptismal vows. Licensed by the Bishop.

(Adopted September 1998, amended September 2001, September 2002, January 2007, May 2011)

Policy 2.4 – Officers: A Nominating Committee, composed of the four new senior Vestry members, shall be appointed toward the end of each Vestry year to suggest candidates for the offices of Secretary of the Vestry and Treasurer at the Vestry's organizational meeting for the following year. (Adopted May 1990, amended September 2001)

Policy 2.5 – Standing Committees:

- A. Standing committees should be appointed at the second Vestry meeting following the Annual Meeting. When more than one Vestry member serves on a committee, one should be designated as the Vestry liaison.
- B. The following standing committees shall exist:
 1. *Grounds*, responsible for overseeing and making recommendations to the Vestry regarding improvements to, and the ongoing cleanliness, maintenance, safety, and utilization of, the Parish's physical plant and grounds, including the rectory, parking lot, sidewalks, Columbarium, and the property adjacent to the church. In particular, the Committee also shall be concerned with matters which normally require technical expertise or non-routine services from outside the Parish;
 2. *Finance*, responsible for budget, fiscal oversight, financial planning, and investment oversight, and insurance and risk management;
 3. *Human Resources*, responsible for assisting the Rector, Wardens and Vestry with paid staff positions, including recommendations to the Vestry on personnel policies,

development of job descriptions for lay employees, recommendations to the Vestry annually and at the time of a change in personnel for the compensation of all paid staff, and assistance to the Rector in screening applicants for lay positions; and

4. *Stewardship*, responsible for (a) design and implementation of annual pledge campaigns, (b) exploration, recommendation and implementation of methods of increasing parish income, (c) design, implementation, and maintenance of a planned giving program, (d) coordination with and support of capital campaigns, and (e) promotion of an increased awareness of the importance of stewardship in the life of the Parish.

(Adopted September 1989, as amended November 1991, July 1994, September 1998, January 2001, September 2001, January 2007)

Policy 2.6 – Tellers: Tellers for the Vestry election at the annual meeting are permitted to vote. (Adopted May 1990, amended September 2001)

Policy 2.7 – Vestry Meetings: Vestry members wishing to make reports at a vestry meeting shall so notify the Rector or a Warden a week prior to the Vestry meeting, and indicate the amount of time needed for the report. Written reports and other material should be submitted at the same time, so that it can be distributed to members with the agenda. (Adopted December 1988, amended September 2001)

Policy 2.8 – Vestry Roles and Expectations: Vestry members have the following roles and expectations:

A. *Roles:*

1. They have responded to the call of their baptism to be servants of God and of their brothers and sisters in Christ.
2. They believe that prayer helps to discern God's leading, and they pray regularly to discern it.
3. They understand that they are called not only to advise the clergy, but to minister to them and to the other members of the congregation.

4. They will work with the clergy, staff, and other members of the parish to form an environment of mutual trust and loyalty.
5. They will express their views on issues of importance while being respectful of the views of others.

B. *Expectations:*

1. They rarely miss attendance at worship on Sunday.
2. They are in the forefront in greeting newcomers and helping them feel welcome in the congregation.
3. They are aware of and involved in the parish's Christian formation program.
4. They are leaders in the parish in the proportion of their time, talents, and treasures that they return to God's Church.
5. They realize that they are called to continuing leadership in the parish even when their term on the Vestry ends.

(Adopted March 1998, amended September 2001)

Policy 2.9 – Vestry Policies: The Secretary of the Vestry shall maintain a record of all policies adopted by the Vestry (i.e., this document). (Adopted May 2011)

3. FINANCIAL OPERATIONS

Policy 3.1 – Audit: All parish accounts should be included in the annual external audit. The audit shall be undertaken and approved by the Vestry according to a schedule that assures its timely submission by the parish to the Diocese, as required. (Adopted May 1993, amended September 2001)

Policy 3.2 – Authorization of Expenditures:

- A. The Treasurer is authorized to pay from the appropriate account, following Vestry approval in the budget or otherwise:
 1. The salaries and related personnel costs of parish employees and similar payments to any personnel retained as independent contractors;

2. Regular and timely payment of the Parish's financial commitment to the Diocese in accordance with Diocesan canons;
 3. Utilities, payments on budgeted or otherwise approved contracts (including advertising within budget), and taxes; and
 4. The costs of ongoing investment activities.
- B. The Treasurer is authorized to pay from the appropriate account any other invoice for current expenditures if:
1. It is for a purpose contained in the budget or, in the case of an expenditure for an unbudgeted item in a special or endowed fund, it is for a purpose consistent with that fund, and
 2. Its payment has been approved in advance of obligating the expenditure by:
 - a. The Leader of the Ministry Team or its designee (or the Rector, in the case of general office and clergy-related expenses), if under \$1,000. The Vestry will provide to the Executive Committee, the Treasurer and the Parish a list of those authorized to approve such an expenditure;
 - b. The Executive Committee, if under \$2,000 (unless the Vestry grants approval for a higher ceiling in a specific instance or in an emergency); or
 - c. The Vestry, if \$2,000 or more (unless the Vestry grants approval for a higher ceiling in a specific instance or in an emergency); and
 3. Such approval is noted in writing on the invoice or on a form attached thereto, with the appropriate name or account number as assigned by the person making the authorization (in consultation, if need be, with the Treasurer).
 4. No person may authorize a proposed expenditure payable to himself or herself or for his or her own benefit. In such case, the authorization shall be made by the Rector or Senior Warden.

5. The Treasurer may not authorize a proposed expenditure, other than in the case of a transfer from one Parish account to another.
- C. All expenditures approved by the Executive Committee shall be reported to the Vestry at its next meeting.
- D. The Vestry, except in exceptional circumstances, will not approve any requests for expenditures exceeding \$1,500 unless those requests are presented by the appropriate committee chair or Vestry liaison. The Vestry will provide to the Executive Committee, the Treasurer and the Parish a list of committee chairs and Vestry liaisons.
- E. In the case of a group of related obligations for special events, approval shall be required for the group rather than for individual items.
- F. It is the responsibility of the person desiring approval of a proposed obligation to initiate the approval process.
- G. Checks of \$3000.00 or more require two authorized signatures (one lay and one clerical).
- H. Upon recommendation from the Commission on Mission and with Vestry approval, funds from the Carwithen Outreach Fund may be used to match profits from fundraising efforts for outreach and mission with each matching gift to be approved by the Commission on Mission Board.

(Adopted June 1993, as amended September 1993, September 1999, April 2000, September 2001, February 2009, February 2010)

Policy 3.3 – Budget

- A. *Annual Budget:* Parish expenditures will be planned and executed in accordance with an Annual Budget to be approved by the Vestry at, or prior to, its initial meeting of each calendar year. Adjustments can be made at subsequent Vestry meetings.
- B. *Deficit and Surplus:* In the event of a budget shortfall at the end of the fiscal year, the Executive Committee shall decide what should be paid and what not. Where a budget surplus exists after the final close of books and the disbursement of any Reserve, the Vestry, at its January meeting each year, shall decide the disposition of the surplus. Unless the Vestry directs

otherwise, any year-end operating fund surplus will be deposited in the Reserve Fund. (Adopted December 1983, amended January 1984, September 2001, May 2007)

Policy 3.4 – Diocesan Commitment: The parish shall pledge a percentage of income to the Diocese each year. (Adopted November 1987, amended September 2001)

Policy 3.5 – Discretionary Funds:

- A. *Discretionary Funds Authorized:* The following discretionary funds are authorized: (1) Rector's and (2) one for each "Assistant Minister."
- B. *Administration:* These discretionary funds shall be administered according to applicable national and diocesan canons and guidelines.
- C. *Purpose:*
 - 1. The principal purpose of the discretionary funds is to assist in a confidential manner those in need in the parish and in the larger parish community.
 - 2. Such funds also, *e.g.*,
 - a. may contribute to any recognized charitable organizations;
 - b. may contribute to the church itself, including grants to the operating or special funds for (1) outreach contributions, (2) such educational programs as the Lenten Series and special speakers not covered by the Haskin Fund, and (3) occasional gifts to such special funds as altar guild, candles, and flowers; or
 - c. in the case of clergy discretionary funds, may be used for expenses related to the exercise of ministry not otherwise provided in the parish budget, *e.g.*, for (1) attendance at conferences, (2) purchase of books and journals, (3) membership in groups that are related to the exercise of ministry, (4) employment by the clergy of professional consultants, (5) meals or refreshments for groups or individuals directly related to the work of ministry

and in the normal course of ministerial work, and (6) such gifts as parish employee retirement gifts or scholarship assistance to young persons in need. However, books and related items so purchased shall become property of the parish, at least unless and until such time as they may be given by the parish to the clergy as a gift.

- d. Such funds may not be used to sustain the ongoing operations of the church other than as specified above, for personal items, or for anything which personally benefits the person administering the fund or any family member.

- D. *Sources:* Discretionary funds may be the designated recipients of special collections and offerings from certain feasts and worship services (see Policy 3.9 – Special Collections and Offerings). All discretionary funds may receive special gifts. Gifts to such funds shall be payable to the parish rather than to any individual: they may be unrestricted or, if restricted, must be designated for one of the legitimate purposes of the church. Donors of gifts whose sole intention is to benefit a named individual shall be advised that such gifts may not be deductible contributions in terms of the donors' income tax returns.
- E. *Accounts:* Each discretionary fund shall be a special account of the parish, shall be held in bank and/or investment accounts approved by the Vestry, and shall be in the name of the parish (e.g., "St. Paul's Parish Rector's Discretionary Fund") with the parish's tax ID number on the account. To preserve confidentiality, the priest shall be the only signatory, although the Rector also may designate one of the clergy. Any signature cards shall be processed in the same manner as for other accounts. Each clergy discretionary fund shall remain at the parish when the rector or assistant so administering is called elsewhere. Personal and discretionary funds shall not be mingled.
- F. *Deposits:* All gifts intended for discretionary funds, whether delivered to the church or to the clergy, shall be received and recorded in the same manner as other contributions to the parish and shall be deposited in such discretionary accounts. Where anonymity is desired, cash deposits may be accepted and recorded as anonymous, or checks (at the request of the donor) may be recorded likewise, and such contributions may be given

directly to the person administering the account for deposit in that account, with the understanding that they will not appear on the usual contribution listings furnished to parish contributors.

- G. *Disbursements:* Although all disbursements normally are to be made by check, when money is to be used for financial aid to individuals in confidential situations a check may be written to cash so long as the person disbursing keeps a private record of the purpose of such a check.
- H. *Records:* The member of the clergy shall maintain and retain the records of each respective discretionary account, including monthly statements and checks and a record of the purpose of every check drawn on the account and the source of all deposits into it. Upon receipt of monthly statements he shall give copies of the statements (but not the checks) to the Treasurer or his designated accounting representative. The balance, total income, and total expenses of each such fund shall appear on the monthly financials. When a member of the clergy has any doubt about the propriety of receiving a gift or making an expenditure, it is appropriate to consult one or both wardens.
- I. *Audit:* Each discretionary fund shall be audited annually as part of the parish audit, in a confidential manner not involving other parish personnel. The audit of these funds shall include, among other things, verification that their income and distribution are consistent with Vestry policy governing discretionary funds. Each such fund also shall be audited whenever there is a change in rector or assistant. In the event that a material deficiency arises during the audit, the auditor shall consult with the wardens.
- J. *Vacancies:* When there is a vacancy in the office of rector, the senior priest on staff shall assume administration of the Rector's Discretionary Fund until a new rector assumes his duties. When an Assistant Minister's position becomes vacant, the Rector shall assume administration of the Assistant Minister's discretionary fund until a new Assistant Manager assumes that position.

(Adopted March 1997, amended September 2001, May 2011)

Policy 3.6 – Memorial Gifts: The following policies are adopted regarding record-keeping of memorial gifts as they are received:

- A. The name and address of the donor, the amount of the gift, and the name of any person being memorialized should be recorded. The Treasurer will attest to the amounts in these various funds, and after an agreed-upon initializing date, these will constitute opening figures for future records-keeping;
- B. The next of kin shall be provided with a list of donors to each memorial;
- C. Donors' names and the name of any person remembered shall be entered in a permanent Memorial Book, which then will be available for display;
- D. Gifts to the parish shall be reported in "The Epistle." When donors do not wish to be named, only the fact and nature of the gift will be reported; and
- E. The word "designated" will be used only to apply to those gifts that are set aside for a specific (*i.e.*, "designated") purpose.

(Adopted February 1989, amended February 1991, September 2001)

Policy 3.7 – Plate Offerings: Plate offerings will be counted by persons appointed as counters with the approval of the Vestry, which retains responsibility for oversight. (Adopted June 1995, amended September 2001)

Policy 3.8 – Restricted Pledges: The parish shall accept, but not solicit or encourage, restricted pledges. (Adopted December 1992, amended September 2001)

Policy 3.9 – Special Collections and Offerings: The following shall be policies concerning special collections and offerings for certain feasts and worship services of the liturgical year:

- A. The name and pledge number of those parishioners offering gifts at the services designated below shall, to the extent that it is practical, be recorded by Assistant Treasurers. These offerings will be deposited in the appropriate accounts specified in these policies.
- B. Collections and offerings referred to within these policies cover all funds received that are not specified as pledges, designated pledges, designated memorials, or offerings specified or designated for another purpose. Currency, coin, and loose checks that are not directed per above will be applied toward the purposes specified below.

- C. Collections and offerings from the following feasts and worship services will be deposited in the Rector's Discretionary Account: (1) the loose currency and coin offering on the first Sunday of each month; (2) all offerings on Thanksgiving Day; and (3) Ash Wednesday. If in any month the plate collection for the first Sunday is otherwise dedicated by policy, loose cash from the plate collection from the next non-dedicated Sunday shall go to the Rector's Discretionary Fund.
- D. Collections and offerings on Good Friday shall be an outreach offering to the Diocese of Jerusalem.
- E. Collections and offerings on Candlemas shall be designated for the Candle Fund.
- F. Collections and offerings on Advent/Christmas/Epiphany Lessons and Carols services shall be designated for the Music Special Fund.
- G. Collections and offerings on All Saints' Day and All Souls' Day shall be split evenly and designated for the expenses of the Guild of Acolytes and the Altar Guild Special Fund.
- H. Collections and offerings for Christmas and Easter shall be individual line items of the Parish annual budget and will be considered as income for the operating account.
- I. Collections and offerings on Ascension Day shall be designated for outreach to our companion diocese.
- J. Collections at Sunday Evensongs will go to support the Evensong Choir of Men and Boys and the Girls Choir
- K. Collections and offerings on all other occasions shall be designated "plate income" and be deposited toward the Parish operating account.

(Adopted February 1998, amended April 1999, February 2001, September 2001, March 2011, May 2011)

Policy 3.10 – Safes and Lock Boxes: The following persons shall be given access and/or combinations to the following: (1) the clergy, Treasurer, Assistant Treasurers designated by the Treasurer, the director of the Altar Guild, and one member of the Altar Guild designated by the directress, to the sacristy safe; (2) the clergy, the Treasurer, and the Assistant Treasurers to the parish office safe; and (3) the clergy, the Treasurer, and the person in

charge of the tract rack, to the narthex lock box. Combinations or keys shall be changed whenever any of the authorized persons leaves his or her position, or every two years. (Adopted December 1991, amended January 1992, September 2001)

Policy 3.11 – Mortgage Payments: The Vestry established the following policy regarding mortgage payments: (1) a mortgage reserve in an amount approved by the Vestry be established; (2) monthly mortgage payments are to be taken from the operating budget line item established for that purpose (with mortgage payments drawn down from the reserve if the operating budget funds are insufficient to make the payment); and (3) monthly pledge receipts from the Foundation for the Future Campaign and any excess mortgage payment funds from the operating budget are applied (a) first, to replace funds drawn down from the mortgage reserve and (b) second, to reduce the outstanding mortgage balance. (Adopted March 2009).

4. **ENDOWMENTS AND SPECIAL FUNDS**

Policy 4.1 – Purpose and Administration of Parish Endowments: St. Paul's Parish shall have the endowed funds specified in Policy 4.3, which collectively shall be known as the Parish Endowments. The purpose of the Parish Endowments is to enable St. Paul's to fulfill more completely its mission in developing its ministries beyond what is possible through its annual operating funds. Distribution from the Parish Endowments shall be limited to : (i) capital needs of St. Paul's Parish; (ii) outreach ministries and grants; (iii) seed money for new ministries and special one-time projects; and (iv) such other purposes as are specifically designated by donors to St. Paul's Parish whose gifts are included in the Parish Endowments. Distributions from the Parish Endowments shall not be made to the operating budget of St. Paul's Parish. The Endowment Fund Board of St. Paul's Parish shall administer and manage the Parish Endowments on behalf of the Vestry in accordance with Vestry Policy 4.5 below. The Chair of the Endowment Board is entitled to receive financial statements from financial institutions holding Endowment Board-managed funds in addition to those directed to the Treasurer. The Chair shall purchase, sell or transfer assets of the Endowment Board-managed funds as the Endowment Board shall direct. This Vestry Policy 4.1 may be amended only by a vote of at least two-thirds (2/3) of the membership of the Vestry at a regularly scheduled meeting or at a special meeting called specifically for the purpose of amending this Vestry Policy 4.1. (Adopted January 2005, amended May 2007, July 2008)

Policy 4.2 – Expenditures from Endowments: All endowment expenditures shall be proposed and approved by the Vestry in consultation

with the Endowment Board and in accordance with the policies applicable to specific endowment funds set forth in Policy 4.2 below. (Adopted February 2005)

Policy 4.3 – Specific Endowment Funds:

- A. *General Endowment Fund:* There shall be a General Endowment, the income from which is to be used for the purposes identified in Vestry Policy 4.1. Expenditures from the General Endowment shall be made at the request of the Vestry in consultation with the Endowment Board. (Adopted December 1978, amended September 2001, January 2005, May 2007)
- B. *Music Endowment:* There shall be a Music Endowment, the income from which is to be used for the support of music in connection with the worship of the parish. Expenditures shall be proposed by the Music Director with the approval of the Rector and shall be made at the request of the Vestry in consultation with the Endowment Board. (Adopted December 1978, amended September 2001, February 2005).
- C. *Father Richards Memorial Scholarship Fund:* There shall be a Father Richards Memorial Scholarship Fund to fund scholarships for seminarians. Expenditures shall be proposed by the Rector and the Wardens and shall be made at the request of the Vestry in consultation with the Endowment Board. (Adopted November 1977, amended September 1989, September 2001, February 2005)
- D. *Ritchie Memorial Endowment Fund:* There shall be a J. Marcus Ritchie Memorial Endowment Fund, the principal consisting of money received for that purpose at the time of its creation and in the future, to be invested so that principal and interest are identifiable. The Music Director, with the approval of the Rector, shall propose expenditures from this fund for the support of musical events, such as recitals, concerts, and special services, in St Paul's Church, which shall be made at the request of the Vestry in consultation with the Endowment Board. (Adopted April 1990, amended September 2001, February 2005)
- E. *Outreach Endowment:* There shall be an Outreach Endowment, to be funded with \$17,000 raised by the One Glorifying Voice Capital Campaign, and to include any additional funds received. The Rector, in consultation with the Wardens, shall propose expenditures from this fund, which shall be made at the request

of the Vestry in consultation with the Endowment Board
(Adopted March 1999, amended September 2001, February
2005)

- F. *Matthew Rutkowski Music Fund:* There shall be a Matthew Rutkowski Music Fund, with expenditures to be used for instrumental musicians for special services, concerts, and recitals, and for sponsoring instrumental or chamber music recitals to raise money for parish outreach programs. The Music Director, with the approval of the Rector, shall propose expenditures from this fund, which shall be made at the request of the Vestry in consultation with the Endowment Board. (Adopted April 1998, amended September 2001, February 2005)
- G. *Bishop Board Music Endowment:* There shall be a Bishop Robert B. Board Music Endowment, with its interest to be used to support the music ministry of St. Paul's. The Music Director, with the approval of the Rector, shall propose expenditures from this fund, which shall be made at the request of the Vestry in consultation with the Endowment Board. When funds from this endowment are expended, the following notice shall be included in newsletters and programs related to the event: "This (-- program-event --) is funded (-- in whole-in part --) by the Bishop Robert Brewster Board Music Endowment. The late Most Reverend Robert B. Board, Presiding Bishop of the American Catholic Church USA, was, prior to his ordination, a lay member of St. Paul's Parish for nearly 20 years." (Adopted February 2005)
- H. *Haskin Fund:* There shall be a Haskin Fund, with its interest to be used to support formation. The Rector shall propose expenditures from this fund, which shall be made at the request of the Vestry in consultation with the Endowment Board. (Adopted May 2011).

Policy 4.4 – Reserve Fund: There shall be a Parish Reserve Fund, to consist of (1) the assets of what had been called the General Endowment at the time of adoption of the enabling resolution establishing the Endowment Board Fund; (2) operating fund surpluses that subsequently occur; and (3) other funds that are received or designated for this purpose by the Vestry. The principal and earnings of the Reserve Fund may be utilized by the Vestry to replace unplanned or unanticipated operating fund shortfalls or for other emergency situations or similar needs. (Adopted February 2005)

Policy 4.5 – Special Accounts:

- A. The Vestry may set up special accounts for special restricted purposes (herein referred to as “special accounts”) wherein it is intended that such funds be invested to the extent feasible and that both the earnings and any initial principal and contributions shall be available for the purpose of such account.
- B. Special account monies not required for short term expenses shall be invested with or in the same manner as endowment funds to maximize earnings, as determined by the Treasurer.
- C. Special account expenditures shall be authorized and approved consistent with the Policy governing the Authorization of Expenditures (see Policy 3.2).
- D. The assets, liabilities, fund balances, net worth, earnings, other income and expenses of each special account shall be reported to the Vestry on the monthly parish financial statement.
- E. At the end of each quarter the Treasurer shall prorate the various specific special accounts any interest or other earnings on the special accounts, disregarding any temporary account or any account having a negative balance.

(Adopted May 1997, amended September 2001)

Policy 4.6 – Plan and Operation of Endowment Fund Board of St Paul's Parish:

- A. The Endowment Board
 - 1. The Endowment Board shall consist of five members, each of whom shall be: a qualified voter, as defined by Article 2, Section 1 of the By-Laws of St. Paul's Parish, who is 18 years of age and entitled to vote at the most recent Parish Annual Meeting. The members shall be appointed by the Vestry. Additionally, the Rector and Senior Warden shall be *ex-officio* members of the Board with voice but not vote. Except as herein limited, the term of each member shall be five (5) years. Any members ceasing to meet these requirements during their term are deemed to have vacated their position. Upon adoption of this resolution, the Vestry shall appoint five (5) members, one (1) each for a term of five (5) years, four (4) years, three (3) years, two (2) years, and one (1) year, respectively. Thereafter, on an

annual basis at its regular meeting in December, the Vestry shall appoint one member for a term of five (5) years. No member shall serve more than two consecutive five (5)-year terms. After a lapse of one (1) year, former Board members may be reappointed. In the event of a vacancy on the Board, the Vestry shall appoint a member to complete the unfulfilled term, upon the completion of which that person would be eligible for reappointment to a normal five (5) year term. Other than the Rector and the Senior Warden, no person may serve at the same time as a member of the Vestry and the Board.

2. The Board shall meet at least quarterly, or more frequently as requested by the Vestry or as deemed by it to be in the best interest of the Parish Endowments.
3. A quorum shall consist of four (4) voting members. The affirmative vote of four (4) voting members shall be necessary to carry any motion or resolution.
4. The Board shall elect from its membership a Chair and a Secretary. The Chair, or member designated by the Chair, shall preside at all Board meetings.
5. The Secretary shall maintain complete and accurate minutes of all meetings of the Board and supply a copy thereof to each member of the Board. Each member shall keep a complete set of minutes to be delivered to his or her successor. The Secretary shall also supply a copy of the minutes to the Senior Warden in a timely manner.
6. The Treasurer of the Parish shall maintain complete and accurate books of account for the Parish Endowments, and shall provide monthly reports to each member of the Board and the Executive Committee of the Vestry. The books shall be audited as a part of the annual audit of the Parish's finances in the manner provided by the canons and policies of the Diocese of Washington.
7. The Board shall report on a quarterly basis to the Vestry and, at each Annual Meeting of the Parish, shall render a full and complete account of the administration of the Parish Endowments during the preceding year.
8. The Board, at the expense of the Parish Endowments, may provide for such professional counseling on

investments or legal matters as it deems to be in the best interests of the Parish Endowments.

9. Members of the Board shall be liable for any acts or omissions committed by them (including losses that may be incurred upon the investments of the assets of the Parish Endowments) only to the extent that such acts or omissions were not in good faith or involved intentional misconduct. Each member shall be liable only for his/her own intentional misconduct or for his/her own acts or omissions not in good faith, and shall not be liable for the acts or omissions of any other members. No member shall engage in any self dealing or transactions with the Parish Endowments in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his personal interests would conflict or appear to conflict with the interest of the Parish Endowments.
 10. All assets are to be held in the name of the Vestry of St. Paul's Protestant Episcopal Church in the Diocese of Washington. Acts to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the Parish Endowments, including stocks, bonds, debentures, mortgages, notes, warrants of other securities, as in their judgment and discretion they deem wise and prudent, are to be made by the Chair or another delegated member of the Board.
- B. *Acceptance of gifts to the Parish Endowments:* In accordance with the Gift Acceptance Policy of St. Paul's Parish, the Vestry upon advice of the Board will determine whether a gift to the Parish Endowments shall be accepted. If a gift of property other than cash or publicly traded securities is offered to the Parish, there will be conducted a careful review to determine whether the best interests of the Parish are served by accepting or rejecting the gift. Guidelines for conducting such a review are incorporated in the Gift Review Policy.
- C. *Distributions from the Parish Endowments:*
1. It is the intent of the Vestry that the Parish Endowments shall be managed as a true endowment employing the restriction that the principal shall not be invaded;

however, distributions from the Parish Endowments shall be made utilizing a Total Return Policy that incorporates a designated percentage of the corpus that will be available for expenditure annually. The Board shall formulate a policy defining the spending rules and protocols, with the approval of the Vestry, which will provide for the withdrawal and use of funds consistent with the stated purposes of the Parish Endowments as defined in the first section of this resolution.

2. Except as may be specifically provided in the terms of a special endowment, no portion of the principal amount of the Parish Endowments shall be “borrowed,” including any “temporary usage” for other Parish needs.
- D. *Disposition or transfer of the Parish Endowments:* In the event St. Paul's Parish ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the Parish Endowments shall be at the discretion of the Vestry in conformity with the Parish by-laws and the canons and policies of the Diocese of Washington. Consultation with the Episcopal Church Foundation may be desirable for continuation of obligations of the Parish Endowments.
- E. *Amendment:* This Vestry Policy 4.6 may be amended only by a vote of at least two-thirds (2/3) of the membership of the Vestry at a regularly scheduled meeting or a special meeting called specifically for the purpose of amending this Vestry Policy 4.6.

(Adopted January 2005, amended May 2007)

Policy 4.7 – Gift Acceptance Policy:

- A. *Purpose:* This Gift Acceptance Policy will provide guidelines to representatives of St. Paul's Parish who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift-planning process, and to prospective donors who may wish to make gifts to the Parish Endowments.
- B. *Cash*

1. All gifts by check shall be accepted by the Parish regardless of amount.
2. Checks shall be made payable to St. Paul's Parish. In no event shall a check be made payable to an individual who represents the Parish in any capacity.

C. *Publicly Traded Securities*

1. Readily marketed securities, such as those traded on a stock exchange, can be accepted by the Parish.
2. For gift crediting and accounting purposes, the value of the gift of securities is the mean of the high and low prices on the date of the gift.
3. A gift of securities to the Parish normally would be liquidated immediately. However, if the form or designation of the gift allows the possibility that it will be directed to the Parish Endowments, a decision regarding the liquidation of the securities will be deferred until that determination is made. If the funds are to be directed to the Parish Endowments, the certificates will be given to the Parish's broker, who then will act on the Board's decision whether to sell or hold the securities, which decision will be made on portfolio considerations.

D. *Closely Held Securities*

1. Non-publicly traded securities may be accepted after consultation with the Board.
2. Prior to acceptance, the Board will explore methods and timing of liquidation of the securities through redemption or sale. The Board will try to determine:
 - a) An estimate of fair market value
 - b) Any restrictions on transfer
 - c) Whether or when an initial public offering might be anticipated
3. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

E. *Real Estate*

1. Any gift of real estate must be reviewed by the Board.
2. The donor normally is responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent and professional agent.
3. The appraisal must be based upon a personal visitation and internal inspection by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area.
4. The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation, or title disputes.
5. The Parish reserves the right to require an environmental assessment of any potential real estate gift.
6. The property must be transferred to the Parish prior to any formal offer or contract for purchase being made.
7. The donor may be asked to pay for all or a portion of the following:
 - a) Maintenance costs
 - b) Real estate taxes
 - c) Insurance
 - d) Real estate broker's commission and other costs of sale
 - e) Appraisal costs
8. For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale.

F. *Life Insurance*

1. A gift of a life insurance policy must be referred to the Board.

2. The Vestry will accept a life insurance policy as a gift only if St. Paul's Parish is named as the owner and beneficiary of 100 percent of the policy.
3. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
4. If the policy is partially paid up, the value for gift crediting and accounting purposes is the policy's cash surrender value.

G. *Tangible Personal Property*

1. Any gift of tangible personal property shall be referred to the Board prior to acceptance.
2. A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to the Parish, which may be realized either by being sold or by being used in connection with the Parish's exempt purpose.
3. Depending on the anticipated value of the gift, a qualified outsider appraiser may be asked to determine its value.
4. The Parish shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

H. *Deferred Gifts*

1. St. Paul's Parish encourages deferred gifts in its favor through any of a variety of vehicles, for example:
 - a) Charitable gift annuity (or deferred gift annuity)
 - b) Pooled income funds
 - c) Charitable remainder trusts
 - d) Charitable lead trusts
 - e) Bequests
 - f) Retained life interests
2. St. Paul's Parish (or its agent) shall not act as an executor (personal representative) for a donor's estate. A member of the Parish staff serving as personal representative for a member of the Parish does so in a personal capacity, and not as an agent of the Parish.

3. St. Paul's Parish (or its agent) shall not act as trustee of a charitable remainder trust.
 4. When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned-gift-related documents, materials, illustrations, letters, or other correspondence, the following disclaimer should be included:

“We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this information provided you without charge or obligation. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way.”
 5. All information obtained from or about donors/prospects shall be held in the strictest confidence by the Parish, its staff and volunteers. The name, amount, or conditions of any gift shall not be published without the express written approval of the donor and/or beneficiary.
 6. The Board will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The Parish recognizes the right of fair and just remuneration for professional services.
 7. The Vestry, upon the advice of the Board, reserves the right to decline any gift that does not further the mission or goals of the Parish. Also, any gifts that would create an administrative burden or cause the Parish to incur excessive expenses may be declined.
- I. *Amendment:* This Vestry Policy 4.7 may be amended only by a vote of at least two-thirds (2/3) of the membership of the Vestry at a regularly scheduled meeting or a special meeting called specifically for the purpose of amending this Vestry Policy 4.7.

(Adopted January 2005, amended May 2007)

Policy 4.8 – Policy Regarding Disposition of Bequests

- A. *General:* This policy statement governs the disposition of bequests which, for purposes of this statement, will mean any type of gift in which 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:

1. “St. Paul’s Parish of the Episcopal Diocese of Washington” or some other wording such as “St. Paul’s Church, 2430 K St. N.W., Washington, D.C.” or similar wording.
2. “The Endowment Fund of St. Paul’s Parish” or similar wording.

B. Bequests with “St. Paul’s Parish” as beneficiary can be of two general types:

1. “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) either as an endowment (in which case they normally would be established as a designated fund of the Parish Endowments) or by direct expenditure of the funds through the Treasurer of the Parish.
2. “Undesignated,” in which case the Vestry has greater freedom in determining their ultimate use, though the usual and customary procedure is that such a bequest would be transferred at the earliest practicable time to the General Endowment. Such transfers, once made, are intended to be held in perpetuity. This policy specifically acknowledges, however, that from time to time urgent needs of the Parish may arise to necessitate an exception to this policy, so as to permit direct expenditure of such funds or any extraordinary expenditure from the Parish Endowments. In such instances the following procedures will apply:
 - a. The *Executive Committee of the Vestry* will assess the particular circumstances giving rise to a perceived need to make an exception to the policy. Such circumstances should be judged by the Committee to be truly extraordinary and that no other financial resources of the Parish are available or are expected to be available in time to fulfill the

urgent needs. If the Committee concludes that an exception is appropriate, it will bring a recommendation to the Vestry at the earliest practicable time.

- b. Final authority for granting such an exception to policy will rest the Vestry.
- C. Bequests designating the Endowment as beneficiary are automatically transferred to the General Endowment upon receipt. If the bequest was given for a designated purpose, then the value of the assets will instead be applied to establish a designated fund of the Parish Endowments, as provided for in a separate policy, and the expendable funds made available for use for that designated purpose only. If the bequest to the Endowment is otherwise undesignated, the assets will be directed to the General Endowment, i.e., that portion of the corpus of the Parish Endowments whose expendable funds are unrestricted.
- D. 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 bank 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. A decision regarding the liquidation of securities will not be made until it is determined whether those assets are to be directed to the Parish Endowments, in which case the certificates will be given to the Parish's broker to be held or sold, which decision will be made on portfolio considerations. Otherwise the liquidation of securities will be handled according to the normal practices of the Treasurer. The method, timing, agent, etc. for the liquidation of other assets (such as real estate or personal property) will be decided by the Vestry with guidance and recommendations from the Gift Review Committee.
- E. Appropriate acknowledgments of bequests will be given by the Rector and by the Chair of the Endowment Board in a timely manner.

- F. This Vestry Policy 4.8 may be amended only by a vote of at least two-thirds (2/3) of the membership of the Vestry at a regularly scheduled meeting or a special meeting called specifically for the purpose of amending this Vestry Policy 4.8.

(Adopted January 2005, amended May 2007)

5. PERSONNEL

Policy 5.1 – Diocesan Guidelines: The Vestry strives to follow Diocesan guidelines relating to parish personnel to the extent not inconsistent with the policies set forth in the St. Paul's Parish Employee Handbook. (Adopted September 2001)

Policy 5.2 – Employee Handbook: The Vestry will develop, update and maintain a St. Paul's Parish Employee Handbook, which will contain the parish personnel policies and a description of employee benefits, evaluation procedures and other material relating to the employment and retention of Parish personnel. The Handbook may be adopted, rescinded, revised or updated only by majority vote of the Vestry. (Adopted September 2001)

Policy 5.3 – Diocesan Standards: The Vestry has adopted the Diocesan Standards as a Parish policy, which includes, but is not limited to, with regard to adults in a position to work with children, required training of established volunteers, training and screening for new volunteers, monitoring of written applications in the form of the official application issued by the Diocese of Washington, compliance reviews by the Human Resources Committee each summer, and full distribution of the Diocesan written materials on these matters. (Adopted August 2007).

6. PHYSICAL PLANT

Policy 6.1 – Building Usage: Everyone is welcome to join in the worship of God at our altar. This worship is the center of our life and the only reason for the existence of our buildings and grounds. All persons who come to this parish are equally worthy of respect as God's children in its worship and activities. All persons utilizing the parish buildings, grounds and facilities are expected to be courteous and respectful, and are subject to the rules of conduct set forth below. Persons who cannot observe these rules may be asked to leave the premises. Repeated and gross violations may result in denial of permission to return.

- A. No alcoholic beverages will be consumed on parish property except as served during an official social event. In keeping with

the laws of the District of Columbia and diocesan guidelines, and a greater sensitivity to the use of alcohol, hard liquor will not be served at any function at St. Paul's, as it is against the law to sell such without a license. Wine and sherry may be provided but should be obtained from a single location. Non-alcoholic beverages should be readily available throughout the room.

- B. Persons under the influence of alcohol or any other behavior-modifying substances may be asked to leave the parish property;
- C. Persons engaging in disruptive behavior, vandalism or abusive or profane language may be asked to leave the premises;
- D. The restroom facilities will not be used for bathing or the washing of personal laundry items and should be left clean after use;
- E. There will be no sleeping in the restrooms or other public areas of the parish hall, without the permission of the Rector;
- F. Public areas should be kept clean and unobstructed. Personal belongings should not be stored or left unattended on the parish property;
- G. Coffee hours after services are open to everyone. Receptions following special events are limited to attendees of those events. Certain other functions, such as dinners for special groups, *etc.* are restricted in attendance at the option of the organizing group;
- H. There shall be no smoking in parish buildings;
- I. Entrances and exits to the church and parish hall should not be blocked;
- J. Parking on church property is limited to church purposes only;
- K. No wireless telephone conversations, except in emergencies, are permitted during events in the Guild Room, Dining Hall, Common Room and/or kitchen; and
- L. The Maintenance Manager must be scheduled for clean-up of all physical facilities after events not previously scheduled by the Hospitality Ministry at a rate and/or a schedule established by the Rector and the Parish Administration.

- M. Non-parishioner users of parish buildings will be required to execute a “hold harmless” agreement and to provide proof of insurance in a form satisfactory to the parish’s insurance provider.

(Adopted February 1991, amended May 1991, April 1992, October 1995, September 2001, December 2008)

Policy 6.2 – Columbarium and Burial Plots: Columbarium niches shall be confined to the west side of the church proper and shall have a purchase price of \$750 per single niche. That purchase price may be waived in whole or in part at the discretion of the Rector in order to provide a niche for the needy. (Adopted September 1975, amended October 1981, May 1997, September 2001, November 2006)

Policy 6.3 – Keys: All Vestry members, committee chairs, acolytes, and altar guild members shall be eligible to have keys, as well as anyone else approved by the clergy, as appropriate to their function. Keys shall be surrendered upon completion of one’s term of office. (Adopted September 1997, amended September 2001)

7. PARISH OPERATIONS

Policy 7.1 – Newsletter and Publications: The Parish newsletter known as “The Epistle,” as well as other Parish publications, must receive the Rector’s approval prior to publication. (Adopted January 1989, amended September 2001)