

**POLICY GOVERNING THE ST. JAMES EPISCOPAL CHURCH  
ENDOWMENT FUNDS, ACCEPTANCE OF GIFTS, AND THE  
DISPOSITION OF BEQUESTS**

**St. James Memorial Episcopal Church**

**112 East Main Street  
Titusville, Pennsylvania 16354**

**Adopted by Action of the Bishop's Committee of Saint James  
Memorial Episcopal Church  
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## **1. STATEMENT OF PURPOSE**

The St. James Endowment Fund is hereby established by a resolution of the Bishop's Committee on 6 May 2018 to enable the Church to more completely fulfill its mission through the preservation, development and enhancement of the Church properties and its ministries beyond what is possible through annual operating monies. It is to be regarded by all concerned as an endowment fund, and expenditures shall be used for capital or other Church needs consistent with the statement above. It is the intent of the Bishop's Committee that expenditures are made for purposes other than general operating expenses.

The Bishop's Committee further resolves that the St. James Endowment Fund is understood to be comprised of all existing endowment monies and any new gifts to the St. James Endowment.

## **2. GIFT ACCEPTANCE POLICY**

This gift acceptance policy will serve as a guideline to staff members of St. James Episcopal Church 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 wish to make gifts to St. James Memorial Episcopal Church. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The gift review process outlined here, however, is intended to be followed closely.

### **2.1 Gift Oversight**

Any questions which may arise in the review and acceptance of gifts to the church will be referred to The St. James Endowment Fund Oversight Committee, which unless otherwise designated will be comprised of three to five members in good-standing of St. James Episcopal Church, appointed to three year terms by the Vicar, approved by the Bishop's Committee, chaired by the Treasurer, with the Vicar serving as a non-voting member.

#### **2.1.1 Right to Decline any Gift**

The Bishop's Committee, upon the advice of the St. James Endowment Fund Oversight Committee, reserves the right to decline any gift that does not further the mission or goals of the church. Also, any gifts that would create an administrative burden or cause the church to incur excessive expenses may be declined.

## **2.2. Cash**

All gifts by check, regardless of the amount, will be accepted by the church, unless there are conditions associated with the gift's acceptance that require Bishop's Committee consideration.

Checks shall be made payable to St. James Memorial Episcopal Church. In no event shall a check be made payable to an individual who represents the church or the parish in any capacity.

## **2.3. Publicly Traded Securities**

Readily marketable securities, such as those traded on a stock exchange, can be accepted by the church.

For gift crediting and accounting purposes, the value of the gift of securities is based on the actual share price and total sale amount as of the date of sale.

A gift of securities to the church shall be liquidated immediately

## **2.4. Closely Held Securities**

Non-publicly traded securities may be accepted after consultation with the St. James Endowment Fund Oversight Committee.

Prior to acceptance the St. James Endowment Fund Oversight Committee will explore methods and timing of liquidation of the securities through redemption or sale. St. James Endowment Fund Oversight Committee will try to determine:

- 1) An estimate of fair market value
- 2) Any restrictions on transfer
- 3) Whether and when an initial public offering might be anticipated.

No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

## **2.5. Real Estate**

Any gift of real estate must be reviewed by the St. James Endowment Fund Oversight Committee.

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.

The church requires an environmental appraisal of any potential real estate gift unless waived by the St. James Endowment Fund Oversight Committee.

The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, the appraisal must show documented valuation of comparable properties located in the same area.

The formal appraisal should contain photographs of the property, the zoning status, and complete information regarding all mortgages, liens, and litigation or title disputes.

The property must be transferred to the church prior to any formal offer or contract for purchase being made.

Depending on the value and desirability of the gift, the donor's connection with the church, and the donor's past gift record, the donor may be asked to pay for all or a portion of the following:

- 1) Maintenance costs
- 2) Real estate taxes
- 3) Insurance
- 4) Real estate broker's commission and other costs of sale
- 5) Appraisal costs

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.

## **2.6. Life Insurance**

A gift of a life insurance policy must be referred to the St. James Endowment Fund Oversight Committee.

The Bishop's Committee may accept a life insurance policy as a gift only when the church is named as the owner and beneficiary.

The Bishop's Committee may accept a paid-up life insurance policy. The value of the gift for the church's gift crediting and accounting purposes is the policy's replacement cost.

If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value. Note that for IRS purposes, the donor's charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.

## **2.7. Tangible Personal Property**

Any gift of tangible personal property shall be referred to the St. James Endowment Fund Oversight Committee prior to acceptance.

A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to the church, which may be realized either by being sold or by being used in connection with the church's exempt purpose.

Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.

The church 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.

## **2.8 Deferred Gifts**

The church encourages deferred gifts in its favor through any of a variety of vehicles:

- Charitable gift annuity (or deferred gift annuity)
- Pooled income fund
- Charitable remainder trust
- Charitable lead trust
- Bequest

- Returned life estate

The church or its agent shall not act as an executor or personal representative for a donor's estate.

The church or its agent shall not act as trustee or co-trustee on a charitable remainder trust.

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:

“St James strongly urges that you consult with your attorney, financial advisor, and/or tax advisor to review and approve this complimentary information. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way.”

All information obtained from or about donors and prospective donors shall be held in strictest confidence by the church, its staff, and volunteers. The name, the amount, and the conditions of any gift shall not be published without the express written or oral approval of the donor and/or beneficiary.

The church will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The church recognizes the right of fair and just remuneration for professional services.

### **3. POLICY REGARDING THE DISPOSITION OF BEQUESTS**

#### **3.1. General**

This policy statement governs the disposition of bequests, which for purposes of this statement we take to 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, etc. The bequest may identify the beneficiary in one of two general ways:

- “St. James Church (Parish) of the Episcopal Diocese of Northwest Pennsylvania” or some other wording such as, “St. James Memorial Episcopal Church (Parish), Titusville, Pennsylvania.”
- “The St. James Endowment Fund, Titusville, Pennsylvania” or similar wording.

Bequests with “St. James Memorial Episcopal Church” or “The St. James Endowment Fund” as beneficiary can be of two general types:

- 1) “Undesignated” in which case the Bishop’s Committee and Vicar have greater freedom in determining their ultimate use, though the expectation is that such a bequest would be transferred at the earliest practicable time to the St. James Endowment Fund. Such transfers, once made, are irrevocable. This policy specifically acknowledges, however, that from time to time urgent needs of the parish may arise to necessitate an exception to this policy. In such instances, the following procedures will apply:
  - a) The Vicar of the church will examine the particular circumstances giving rise to a perceived need to make an exception to the policy. Such circumstances should be judged by the Vicar to be truly extraordinary and that no other financial resources of the Church are available or are expected to be made available in time to fulfill the urgent needs. If the Vicar concludes that an exception is appropriate, the Vicar will bring a recommendation to the Bishop’s Committee at the earliest practicable time.
  - b) Final authority for granting such an exception to policy will rest with the Bishop’s Committee.
- 2) “Designated” in which the donor has expressed a preference for a specific purpose(s) to which the funds should be directed is possible but not preferable. The Bishop’s Committee has ultimate responsibility to determine the use(s) to which those funds are applied is faithful to the donor’s wishes, and the Bishop’s Committee normally would expect to receive a recommendation from the Vicar before making a final determination. 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 St. James Endowment Fund) or by direct expenditure of the funds through the Treasurer of the church.

Bequests with the St. James Endowment Fund as beneficiary are automatically transferred to the St. James Endowment Fund upon receipt and acceptance. If the bequest was given for a designated purpose, then the value of the assets will be applied to establish a designated fund of the St. James Endowment Fund, as provided for in a separate policy, and the earnings made available for use of that designated purpose only. If the bequest to the St. James Endowment Fund is otherwise undesignated, the assets will be directed to the corpus of the St. James Endowment Fund whose earnings are unrestricted.

The procedure for handling bequests begins with the Treasurer, 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 relevant officers of the Church, including the Vicar, the St. James Endowment Fund Oversight Committee. The liquidation of securities will be handled according to the normal practices of the Treasurer of the Church. The method, timing, agent, etc. for the liquidation of other assets (such as real estate or personal property) will be decided by the Bishop's Committee upon the recommendation of the Vicar and his/her staff.

Appropriate acknowledgements and recognition will be the responsibility of the Chair of the Endowment Fund Oversight Committee.

#### **4. ALLOCATIONS POLICY**

Allocations of funds available for distribution will be made in two general ways:

1. Upon written request of the Bishop's Committee, normally with the recommendation of the St. James Endowment Fund Oversight Committee, funds may be transferred to the Treasurer for those special purposes which are consistent with these guidelines.
2. As set forth in the enabling Bishop's Committee resolution, the Treasurer may obligate monies for general expenses incident to the management and administration of the St. James Endowment Fund. Extraordinary initiatives contemplated by the Treasurer for development activities will be approved by the Bishop's Committee before implementation.

The funds available for normal distribution during any one year will be based upon the recommendation of the Diocesan managed co-mingled trust.

Currently, accepted and reviewed financial gifts shall be allocated and earmarked as Endowment Fund (90%), Capital Fund (7%) and Outreach (3%). This allocation is a guideline only and is subject to periodic adjustments as deemed necessary by the Bishops Committee for the benefit of the congregation of St. James Memorial Episcopal Church.

## **5. INVESTMENT GUIDELINES**

The St. James Endowment Fund Oversight Committee (hereafter referred to as “The Oversight Committee”) will be kept apprised by the church treasurer of any changes in how the portfolio of the St. James Endowment Fund of St. James Episcopal Church are adopted and amended from time to time. These guidelines are established and reviewed by the Diocesan Council as per the recommendation of PNC Capital Investment. There are copies of the PNC report which give detailed information on the portfolio available at the church office (814-827-3590) or by contacting the Diocesan office at 814-456-4203.

## ATTACHMENT 1: GIFT DISCLOSURE FORM

**St. James Memorial Episcopal Church  
112 East Main Street,  
Titusville, Pennsylvania 16354**

### **Planned Gift Disclosure Form**

**When you have completed your charitable provisions in your estate plans, you are encouraged to inform the church. This information will be helpful for future planning. You are invited to provide whatever information will be helpful for future planning. This form will be handled in a confidential manner and maintained in a secure and confidential file.**

- ☐ St. James Memorial Episcopal Church is named as a charitable beneficiary in my will, dated\_\_\_\_(or codicil, dated\_\_\_\_\_).
- ☐ The provision is made with the following statement (on reverse side):
- ☐ Attached is a photocopy of the section of my will that mentions St. James Episcopal Church.
- ☐ I estimate today's value of the bequest to be \$\_\_\_\_\_.
- ☐ St. James Memorial Episcopal Church is the beneficiary of a life insurance policy on my life. The value of the policy proceeds designated for St. James Memorial Episcopal Church is \$\_\_\_\_\_.
- ☐ I have established a charitable remainder trust which names St. James Memorial Episcopal Church as the remainder beneficiary. The estimated value of the trust is \$\_\_\_\_\_.
- ☐ Other provision

**The clergy and lay leadership of St. James Memorial Episcopal Church are grateful for your thoughtful provision that reflects a commitment to the future life and ministry of this parish.**

Signature\_\_\_\_\_Date\_\_\_\_\_

Name\_\_\_\_\_

Address\_\_\_\_\_

Telephone\_\_\_\_\_

## ATTACHMENT 2: BISHOP'S COMMITTEE COMMITMENT FORM

### The Bishop's Committee of St. James Memorial Episcopal Church

#### Statement of Support for the Planned Giving Program

I, \_\_\_\_\_ a current or past member of the Bishop's Committee of St. James Memorial Episcopal Church have made a provision for this ministry through a planned gift.

I do this joyfully and in thanksgiving because of my faith in God and my conviction to giving new life to the community of St James Memorial Episcopal Church after my death.

I invite and encourage each member of the parish to join me in this witnessing of faith.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature