

**Church of the Epiphany  
Tempe, AZ**

**Endowment and Investment Fund  
Enabling Resolutions**

**June 2022**

WHEREAS, Church of the Epiphany is committed to sharing the Good News of Jesus Christ, and desires to create an endowment fund to provide additional resources for current and future mission, ministry and outreach.

WHEREAS, Church of the Epiphany is committed to the faithful stewardship of all of God's gifts and desires to encourage current and future gifts of various financial assets to its endowment fund in a manner that reflects the loyalty and devotion to God expressed by donors.

WHEREAS, Church of the Epiphany intends to receive and administer these gifts, and to manage and use the endowment fund, in accordance with the intent of its donors, these resolutions, and any applicable law or related policies as well as the canons of the Episcopal Church and the Diocese of Arizona.

THEREFORE, BE IT RESOLVED that the Vestry of Church of the Epiphany, Tempe, AZ, establish a new and separate fund to be known as "The Endowment and Investment Fund" (the "Fund") of Church of the Epiphany, 2222 South Price Road, Tempe, AZ 85282.

The Fund includes the following sub-funds (please also see the attached fund summary):

Permanent Endowment Fund – This fund is considered a donor-restricted "true" endowment fund. Gifts to this fund will be held in perpetuity and protected by state law under the Uniform Prudent Management of Institutional Funds Act as adopted in Arizona. This fund may be used for *purposes deemed by the vestry of the parish to be of a very high priority and current if not urgent need* in accordance with the spending policy for the Fund.

General Endowment Fund – This fund is considered a Vestry-designated "quasi" endowment fund. In accordance with church policy, gifts to this fund will be managed as if they were permanent endowments except in an emergency or other circumstances as set out in the spending policy. This fund may be used for *supporting the mission and ministry expenses of Church of the Epiphany-Tempe* in accordance with the spending policy for the Fund.

RESOLVED, that the purpose of the Fund is to provide a reliable source of income over time to support the mission and ministry of Epiphany beyond what is possible through annual operating funds. Distributions from the Fund are limited to (i) capital improvements, (ii) outreach ministries and grants, (iii) seed money for new ministries or other special projects, (iv) mission and ministry

expenses (v) the music ministries of the parish inclusive of staff singers and other professional musicians on various occasions, and (vi) any other purposes specified by donors to the Fund.

RESOLVED, that the Vestry of Church of the Epiphany establish an Endowment Committee (the Committee”) to oversee the Fund. The composition and duties of the Committee are described in the following “Endowment Committee Plan of Operation,” which may be amended from time to time.

## **ENDOWMENT COMMITTEE PLAN OF OPERATION**

### **1. Composition**

The Committee must have at least three members, or more provided that the total is an odd number, all of whom must be members in good standing of Church of the Epiphany. The Vestry will appoint the members of the Committee, none of whom may be a current member of the Vestry or employed by Epiphany. The Rector and Senior Warden will be ex-officio Committee members without votes. *At least one member of the committee shall not have budget responsibilities and be able to think about the long term financial needs of the parish.*

Each Committee member will serve for a term of three years. The Vestry will stagger terms to maximize continuity over time. No member may serve more than two consecutive three-year terms. After a one-year lapse, former Committee members may be reappointed. In the event of vacancy, the Vestry will appoint a member to complete the unfulfilled term, after which that member may be reappointed to a single three-year term.

### **2. Resignation or Removal**

Any regular member of the Committee may resign at any time by written notice to the Vestry. A member who is no longer a member in good standing of Epiphany may no longer be a member of the Committee. A member who fails to attend three consecutive meetings without reason may be asked to resign.

### **3. Roles**

The Committee shall establish policies and guidelines for the Fund for approval by the Vestry. These policies shall include an investment policy, spending policy and various gift acceptance policies. The Committee will oversee the management of the Fund, and will monitor distributions from the Fund, in compliance with these resolutions and the approved policies and guidelines of the Fund. The Committee manages investments, oversees distributions and ensures compliance with any laws and guidelines while the Vestry determines how funds will be used.

The Committee will also develop a comprehensive giving program to encourage gifts, grants, bequests or other legacy gifts to Epiphany. The Committee may determine that an endowment giving program is best led by an individual or small committee with skills in communication and

relationship building, but the Committee should be an important advocate for legacy gifts to the endowment.

#### **4. Officers**

The Committee must elect from its membership a chairperson and secretary. The chairperson, or a member designated by the chairperson, will preside at all Committee meetings. The secretary will maintain complete and accurate minutes of all Committee meetings and provide in a timely manner a copy to each Committee member as well as the Vestry. The treasurer of Epiphany will maintain complete and accurate books of account for the Fund for inclusion in the annual audit.

#### **5. Meetings**

The Committee must meet at least twice per year, or more frequently if needed to carry out its responsibilities effectively.

#### **6. Quorum; Voting**

A majority of all Committee members excluding ex-officio members shall constitute a quorum. A majority of all Committee members excluding ex-officio members must approve any Committee resolution. The Committee secretary must give reasonable notice of the time and place of each meeting to all Committee members by email, mail or phone.

#### **7. Reports**

Each quarter, the Committee must report to the Vestry. Each year, the Committee must provide the Vestry a complete account of the administration of the Fund. Reports that also describe how funds were used help highlight the purpose and benefit of an endowment and encourage additional gifts.

#### **8. Professional Counsel; Other Expenses**

The Committee may arrange for any professional investment or legal advice or counseling as well as any auditing that it deems to be in the best interest of the Fund after seeking and obtaining vestry approval of aforementioned expenses. Any such costs will be considered an expense of the Fund. Committee members will serve without compensation.

#### **9. Investments**

The Committee shall develop an investment policy for Vestry approval and ensure that the Fund is invested in accordance with the guidelines set out in that investment policy statement.

#### **10. Funds for Specific Purposes**

Upon approval of the Vestry, the Committee may establish additional sub-funds within the Fund for specific purposes. Donors may also restrict their gifts to specific purposes. Any donor-restricted gifts must be approved by the Vestry and meet the requirements of the donor-restricted fund policy developed by the Committee and approved by the Vestry. A church establishing a fund for a specific purpose to encourage donor interest should include some flexibility to meet future church needs.

## **11. Liability**

Each Committee member must act in good faith regarding the investment of the Fund. Members will be liable only for their own acts or omissions committed not in good faith or involving intentional misconduct. Each member shall be liable only for his or her own conduct and shall not be liable for the acts or omissions of other members. No member may engage in self-dealing or transactions with the Fund in which the member has direct or indirect financial interest and must at all times refrain from any conduct in which his or her personal interests would conflict with the interests of the Fund.

## **12. Titling and Authorizations**

All assets are to be titled with the name of the Endowment and Investment Fund of Church of the Epiphany. All actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest and in any and all respect to manage and control the assets of the Fund are to be made by a designated member of the Committee on behalf of the Committee.

## **13. Gift Acceptance**

The Committee shall establish a set of gift acceptance policies to guide the Vestry in connection with the acceptance of gifts to Epiphany or the Fund. This set shall include a bequest policy, donor-restricted fund policy and gift acceptance guidelines.

## **14. Distributions**

The Committee shall develop a spending policy for approval by the Vestry. The spending policy will provide for the distribution and use of funds consistent with these resolutions, church policy and applicable law. It is the intent of these resolutions that all sub-funds within the Fund shall be managed in perpetuity as if they were true endowments. Distributions from the Fund may not be made to the operating budget of Epiphany unless authorized by these or other resolutions.

Distributions from the Fund shall be made using a “total return” spending policy with a designated percentage of the Fund available for expenditure annually. In the event of an emergency as defined by the Vestry, the Vestry may authorize additional distributions from any *quasi* endowment following a two-thirds vote of the Vestry at two consecutive regularly scheduled meetings and informing the congregation prior to action.

No portion of the Fund may be “borrowed” including any “temporary usage” for other needs of Epiphany.

### **15. Amendment**

Any amendment to these resolutions including this Endowment Committee Plan of Operation must be adopted by a vote of at least two-thirds of the Vestry at two consecutive regularly scheduled meetings. Any amendment regarding the use of the *quasi* endowment may be handled within the provisions relating to distributions as stated above.

### **16. Disposition or Transfer**

In the event that Epiphany ceases to exist due to merger, dissolution or any other event, the Vestry may arrange for the disposition or transfer of the Fund in accordance with the approved congregational constitution, diocesan canons and the Bishop of the Diocese of Arizona. It may be appropriate to consult with the Episcopal Church Foundation to determine the manner in which Fund obligations will be met after Epiphany ceases to exist.

These resolutions are adopted by the Vestry this \_\_\_\_ day of \_\_\_\_\_, 2022.

Church of the Epiphany  
[Tempe, Arizona]

\_\_\_\_\_ (print name)

\_\_\_\_\_ (signature)

Senior Warden

Attest:

\_\_\_\_\_ (print name)

\_\_\_\_\_ (signature)

Rector