

**St. Andrew's Episcopal Church
New London, NH**

**Legacy Fund
Policies and Guidelines**

18 November 2021

Date of Adoption

St. Andrew’s Episcopal Church Legacy Fund Policies and Guidelines

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St. Andrew's Episcopal Church
New London, NH
Legacy Fund Enabling Resolution

WHEREAS, St. Andrew's Episcopal Church is committed to carrying out the teachings of Jesus within its church and among the greater community and desires to create a fund to provide additional resources for current and future mission, ministry and outreach.

WHEREAS, St. Andrew's Episcopal Church 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 fund in a manner that reflects the loyalty and devotion to God expressed by donors.

WHEREAS, St. Andrew's Episcopal Church intends to receive and administer these gifts, and to manage and use the 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 New Hampshire.

THEREFORE, BE IT RESOLVED that the Vestry of St. Andrew's Episcopal Church, New London, NH establishes a new and separate FUND to be known as "ST. ANDREW'S LEGACY FUND" (the "FUND") of St. Andrew's Episcopal Church, 52 Gould Road, New London, NH 03257.

The FUND includes the following categories of funds.

General Quasi-endowment Fund (the "General Fund") – This is a Vestry-designated fund. In accordance with church policy, gifts to this fund will be managed *as if they were* permanent endowments, except that the Vestry may spend more than the "prudent" annual draw following special votes.

Permanent Endowment Fund (the "Endowment Fund") – This is a donor-restricted "true" endowment fund. Gifts to this fund will be held in perpetuity and are protected by law under the Uniform Prudent Management of Institutional Funds Act as adopted in the state of New Hampshire.

RESOLVED, that the purpose of the FUND is to provide a reliable source of income over time to support the work and witness of St. Andrew's Church in a manner that empowers ministry, encourages innovation and prioritizes mission. Therefore, at least fifty percent of the distributions from the FUND, in any given year, not otherwise specified by donors for specific purposes, will be used for missional work — outreach, evangelism, special projects, new ministries. A maximum of fifty percent of the distributions from the FUND in any given year may be used for the core elements of ministry funded by the annual operating budget — worship, pastoral care, Christian education and spiritual formation. The Vestry will request the use of the funding within these parameters in its annual budgeting process.

RESOLVED, that the Vestry of St. Andrew's Episcopal Church establishes a Legacy Fund Committee (the "Committee") to oversee the FUND. The composition and duties of the Committee are described in the following "Legacy Fund Committee Plan of Operation," together with various Policies (collectively the "Legacy Fund Policy"), which may be amended from time to time.

LEGACY FUND 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 St. Andrew's Episcopal Church ("St. Andrew's"). The Vestry will appoint the members of the Committee, none of whom may be a current member of the Vestry or employed by St. Andrew's. The Rector, the Treasurer, and a Warden will be ex-officio Committee members without votes. No person who is responsible for the annual budget of St. Andrew's may be a voting member of the Committee.

Each Committee member will be appointed for a term of up to three years. 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. Initial Committee appointments will be staggered (with one-, two-, and three-year appointments) to maximize continuity over time.

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 St. Andrew's 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 or be removed.

3. Roles

The Committee shall establish and maintain 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, the approved policies and guidelines of the FUND, and applicable law.

The Committee will also develop and maintain a comprehensive planned giving program to encourage gifts, grants, bequests or other legacy gifts to St. Andrew's.

Officers

The Committee will 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 in a timely manner will provide a copy to each Committee member as well as the Vestry. The treasurer of St. Andrew's will maintain, or cause to be maintained, complete and accurate books of account for the FUND for inclusion in the annual church audit.

4. Meetings

The Committee will normally meet quarterly, typically within 30 days after the end of each quarter end, or more frequently as needed.

5. 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.

6. Reports

Each quarter the Committee must report to the Vestry. This report will be in written form, to be delivered not later than 45 days after the end of each quarter. Each year the Committee must provide a complete written account of the administration of the FUND to the Vestry, not later than 60 days after the end of the year. This report will outline additions to and withdrawals from the FUND, including, but not limited to, such reporting as required under the Investment Policy.

7. Professional Counsel; Other Expenses

The Committee may arrange for professional investment or legal advice or counsel as well as any auditing that it deems to be in the best interest of the FUND. Any such costs will be considered an expense of the FUND and paid from FUND revenue. Committee members will serve without compensation.

8. Investments

The Committee shall develop and maintain 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.

9. 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. All funds established for a specific purpose will include language to allow for modifications, if needed, to meet future church needs.

10. 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.

11. Titling and Authorizations

All assets are to be held in the name of the ST. ANDREW'S LEGACY FUND of St. Andrew's Episcopal Church. All action 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.

12. Gift Acceptance

The Committee shall establish and maintain a set of gift acceptance policies to guide the Vestry in connection with the acceptance of gifts to St. Andrew's or the FUND. This set shall include a bequest policy, donor-restricted fund policy, and gift acceptance guidelines.

13. Distributions

The Committee shall develop and maintain 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, unless directed otherwise by a grantor/donor, all funds within the FUND shall be managed in perpetuity as if they were true endowments.

14. Amendments and Policy Exceptions

Any amendment to this Policy must be adopted by a vote of at least a majority of the Vestry at two consecutive regularly scheduled meetings. Any amendment regarding the use of the General Fund must be handled within the provisions relating to distributions as stated above.

From time to time, exceptions to this Policy may be appropriate. All exceptions to the Policy will require a vote of at least a majority of the Vestry at two consecutive regularly scheduled meetings

15. Disposition or Transfer

In the event that St. Andrew's Episcopal Church 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 New Hampshire.

These resolutions are adopted by the Vestry this 18th day of November, 2021.

St. Andrew's Episcopal Church,
New London, NH

Margaret Eaton
(Signature)
Senior Warden

Margaret Eaton
(Print name)

Attest:

Jay MacLeod
(Signature)
Rector

Jay MacLeod
(Print name)

St. Andrew's Episcopal Church
New London, NH
Legacy Fund Gift Acceptance Policies

St. Andrew's Episcopal Church has established a FUND for its long-term endowment and investment assets.

The purpose of these Gift Acceptance Policies is to provide guidance to the Vestry, Committee and Gift Review Committee, as appropriate, in connection with the review and acceptance of gifts to the Church and the FUND.

Gift Review Committee

The Gift Review Committee shall consist of the members of the Committee, including ex-officio members without votes, unless otherwise established by the Vestry. On behalf of St. Andrew's, the Vestry must review and approve or reject all gifts to St. Andrew's or any endowment, investment or other fund. The Gift Review Committee shall provide information, advice or recommendations to the Vestry as set out in these guidelines or otherwise requested. The Vestry shall refer all questions relating to the review and acceptance of gifts to the Gift Review Committee and may consult with the Gift Review Committee as needed or desired. All gifts, other than unrestricted cash and marketable securities are to be reviewed for acceptance by the Gift Review Committee.

Gift Acceptance Guidelines with Regard to Bequests and Donor-Designated Gifts

1. Disposition of Bequests Policy

This policy 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. Acceptance of bequests will follow the general Gift Acceptance policies and procedures.

The bequest usually identifies the beneficiary in one of two ways: *St. Andrew's Episcopal Church* or *the Legacy Fund of St. Andrew's Episcopal Church*.

Bequests with **St. Andrew's Episcopal Church** as beneficiary, without further restriction, may be spent in the current year or placed in the General Fund. The default position of the church will be that all such bequests go into the General Fund unless the Rector and a Warden request an exception to the policy. Criteria for such an exception may, for example, include that the bequest could fulfill an urgent need that might otherwise go unmet. Final authority for granting such an exception will rest with the Vestry.

If the donor has identified a specific purpose for the gift, and if accepted, the Vestry will guarantee that the funds will be used according to the donor's wishes. The funds may be directed to their restricted purpose either as an endowment, in which case they normally would become a restricted fund within the FUND, or by direct expenditure of the funds through the Treasurer.

Bequests naming the FUND of the church as beneficiary are, if accepted, automatically transferred to the Permanent Fund upon receipt. If the bequest was given for a specific purpose, the assets will be used to establish a donor-restricted fund within the Permanent Endowment Fund or fund an appropriate, already established Specific Purpose Fund.

2. Donor-Restricted Gift Policy

The Vestry may establish a new and separate fund within the FUND for a gift of \$50,000 or more. The Vestry must approve the acceptance of the gift for its intended purpose, or it must reject the gift. If accepted, the new assets are combined with other fund assets for investment purposes but are tracked and spent separately as intended by the donor under any further guidelines required by law or approved by the Vestry.

Documentation for all such gifts shall include language that provides that, should the fulfillment of the purpose become impossible or impractical, or be deemed to be no longer consistent with the mission of St. Andrew's, any remaining funds shall revert to the General Fund.

The inception date of the new fund shall be the last day of the quarter in which the gift was received. The initial value of the new fund shall be the actual value of cash received or the market value on the date the fund is established for any other type of asset received.

3. Gift Acceptance Guidelines with Regard to the Means of Funding

a. Purpose

These gift acceptance guidelines are intended to guide representatives of St. Andrew's, potential donors, and any outside advisors in connection with gifts to St. Andrew's or its Legacy Fund or other funds. These guidelines are not intended as professional advice. The Vestry and Gift Review Committee should follow the review procedures described below. Donors are encouraged to obtain their own legal, tax and financial advice before completing a gift.

b. Cash

The Vestry may accept all gifts made by check without regard to amount. All checks must be payable to *St. Andrew's Episcopal Church* and in no event may be payable to an individual who represents St. Andrew's in any capacity.

c. Publicly Traded Securities

The Vestry may accept readily marketable securities, such as those traded on an exchange. The value of a gift of such securities is the average of the high and low prices on the date of the gift. Typically, a gift of such securities is liquidated at the earliest practical date.

d. Closely Held Securities

As a rule, the gift of non-publicly traded securities is discouraged. However, as an exception, the Vestry may accept non-publicly traded securities after consultation with the Gift Review Committee and, possibly, outside professional guidance. The value of a gift of such securities is the value used by the donor in preparation of the donor's tax return. *Prior to acceptance*, the Gift Review Committee must explore methods for the liquidation through sale or redemption and determine (a) any restrictions on transfer and (b) if and when an initial public offering is expected. No commitment for the repurchase of closely held securities may be made prior to the completion of the gift of such securities. Such gifts should be liquidated at the earliest possible date.

e. Real Estate

As a rule, the gift of real estate is discouraged. However, as an exception, the Vestry may refer any proposed gift of real estate to the Gift Review Committee. All gifts of real estate must be appraised by an independent professional, typically at the expense of the donor. The appraisal must be based on a personal visit and internal and external inspection and, if possible, include documented values of comparable properties in the same area. The appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price (if the property is actively on the market), a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation, or title disputes as well as, if requested, an environmental assessment.

If the Vestry accepts the gift of real estate, it must be transferred to St. Andrew's before any formal offer or contract for purchase. The Vestry may ask the donor to pay in full or in part the cost of maintenance, insurance, real estate taxes, and broker's commission or any other cost of sale. The value of the gift is the appraised value of the real estate, which may be reduced by the cost of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale.

f. Life Insurance

The Vestry must refer any gift of a life insurance policy to the Gift Review Committee. The Vestry may accept a gift of ownership of a life insurance policy only if St. Andrew's is named both the owner and beneficiary of 100% of the policy. If the policy is fully paid up, the value of the gift is the replacement cost of the policy. If the policy is partially paid up, the value of the gift is the policy's cash surrender value or interpolated terminal reserve value. St. Andrew's may be named a full, partial or contingent beneficiary of a life insurance policy.

g. Tangible Personal Property

As a rule, the gift of tangible personal property is discouraged. However, as an exception, the Vestry may accept gifts of tangible personal property after review by the Gift Review Committee. Tangible personal property may include jewelry, artwork, collections, equipment or software, among other examples. The Gift Review Committee must assess the value to St. Andrew's of any such property, which may be sold or used by St. Andrew's in connection with its exempt purpose. The Gift Review Committee may ask a qualified outside appraiser to determine the value of a gift of tangible personal property. The Vestry shall adhere to all IRS requirements relating to the value and disposition of gifts of tangible personal property and will provide appropriate forms to the donor and the IRS.

h. Deferred Gifts

The Vestry encourages deferred gifts to St. Andrew's or its Legacy Fund. Deferred gifts may be made in various ways including:

- Bequest
- Beneficiary designation
- Retained life estate
- Charitable gift annuity
- Pooled income fund
- Charitable remainder trust

- Charitable lead trust
- Donor advised fund

St. Andrew's Episcopal Church, or an agent of St. Andrew's, shall not act as executor or personal representative for a donor's estate. A staff member serving as personal representative for a member of St. Andrew's does so in a personal capacity and not as an agent of St. Andrew's. St. Andrew's or an agent of St. Andrew's shall not act as trustee of any charitable remainder trust.

St. Andrew's may invite donors to consider a variety of gift vehicles, including charitable gift annuities, pooled income funds, charitable remainder trusts and donor advised funds.

The following disclaimer should be included in any materials, documents, illustrations, letters or other correspondence related to deferred or planned gifts:

St. Andrew's Episcopal Church strongly urges you to consult with your attorney, financial advisor and/or tax advisor to review this information provided without charge or obligation. This information in no way constitutes legal, financial or tax advice.

St. Andrew's and its staff and volunteers will hold in strictest confidence all information from or about donors and potential donors. The name of any donor, as well as the amount or conditions of any gift, will not be published without the express written or oral approval of the donor and beneficiary.

The Vestry will seek qualified professional counsel in connection with the consideration and execution of all deferred or planned gift agreements and will offer appropriate remuneration for professional services.

The Vestry, upon the advice of the Gift Review Committee, may decline any gift that does not further the mission of St. Andrew's or that would impose an unreasonable administrative burden or require St. Andrew's to incur excessive expenses.

St. Andrew's Episcopal Church
New London, NH
LEGACY FUND
Investment Policy Statement

St. Andrew's Episcopal Church has established a FUND for its long-term assets. The Committee oversees the FUND and has developed and approved this Investment Policy Statement ("IPS") for ratification by the Vestry of St. Andrew's.

The purpose of this IPS is to (a) set out the investment objectives and guidelines for the FUND, (b) assist the Committee with the investment, oversight and evaluation of the FUND and (c) establish a spending policy for the FUND. The Committee will administer the FUND in accordance with this IPS. The Committee may employ an outside investment manager ("Investment Manager") and must review this IPS at least annually with the Investment Manager. As of the date of adoption of this Policy, the FUND's assets are invested with the Diocesan Investment Fund ("DIF"). The current Investment Policy Statement for the DIF is included as Appendix C. Within one year of the implementation of this Policy, the Committee will meet with and review the practices of the DIF and report its findings and recommendations to the Vestry.

1. Investment Objective

The investment objective of the FUND is to provide for long term growth in the value of the FUND without undue exposure to risk so that the FUND provides a total return over time that allows for both current and future spending in accordance with the spending policy set out below. The assets of the FUND are to be invested with the same care, skill, and diligence that a prudent investor would exercise in investing institutional endowment funds. The FUND is appropriate for long term endowment and investment funds.

2. Investment Guidelines

Time Horizon. The investment objectives and strategic asset allocation of the FUND are based on a long-term time horizon.

Risk Tolerance. With a long-term time horizon, the FUND can tolerate some interim fluctuation in market value and rates of return in order to achieve the investment objectives. High levels of risk and volatility should be avoided.

Portfolio Diversification. The investment objectives should be achieved through a diversified portfolio, which may include but is not limited to large-cap, mid-cap, small-cap U.S equities, international equities (both developed and emerging markets), REITS, commodities, bonds and cash. Mutual funds, exchange traded funds and common trust funds representing any of these asset classes may be used.

Prohibited Investments. The Investment Manager may not invest in private placements, restricted stock or other illiquid issues and may not engage in short sales, margin transactions or other similar specialized investment activities. Notwithstanding the foregoing, the incidental use of funds that use these investment activities in a constructive manner is permitted.

3. Asset Allocation

Strategic Asset Allocation. The FUND shall be invested in a broadly diversified portfolio in an asset allocation that is conducive to participation in rising markets while permitting adequate protection in falling markets. The asset allocation must also account for the spending policy of the FUND as set out below. The Committee shall review the strategic allocation of the FUND with the Investment Manager at least annually.

The strategic asset allocation and permissible investment ranges of the portfolio shall be as follows.

<u>Asset Class</u>	<u>Low</u>	<u>Target</u>	<u>High</u>
Equities	60%	70%	80%
Fixed Income/Cash	20%	30%	40%

Tactical Asset Allocation. The Investment Manager has discretion to invest the portfolio in various sub-asset classes and to make tactical asset allocation decisions for each sub-asset class within permissible ranges, as determined in consultation with the Committee. By way of example, a sub-asset class strategic allocation and permissible investment ranges are set out in Appendix B.

4. Rebalancing

The Investment Manager shall review the asset allocation of the portfolio at least quarterly. The portfolio should be kept within +/-3% of the current tactical position of the portfolio.

5. Socially Responsible Investing

To the extent possible and practicable, and so long as it otherwise conforms to this IPS, the Committee, with the approval of the Vestry, may invest in full or in part in a socially responsible manner that aligns in full or in part with current socially responsible investment guidelines from the Episcopal Church.

6. Performance Measurement Guidelines

The primary measure of the investment performance of the FUND will be comparison to a custom-designed benchmark based on the strategic asset allocation of the FUND. An additional goal is providing protection against inflation. By way of example, a benchmark for the FUND is set out in Appendix B. The Investment Manager will notify the Committee of any material change in the benchmark.

7. Responsibilities

Legacy Fund Committee (“Committee”). The Committee oversees and administers the FUND in accordance with this IPS. It is responsible for:

- Establishing investment objectives and guidelines for the FUND and preparing and approving an IPS. The objectives and guidelines will reflect a prudent investment standard.
- Selecting a qualified Investment Manager for the FUND and overseeing the ongoing performance of that Investment Manager.
- Setting the strategic asset allocation of the FUND in accordance with the investment objectives and guidelines set out in the IPS and in consultation with the Investment Manager.
- Monitoring the FUND on a regular basis to ensure compliance with the investment objectives and guidelines of the IPS. Communicating with the Investment Manager in a structured, ongoing manner.

- Reviewing the performance of the FUND with the Investment Manager at least annually.
- Evaluating the performance of the Investment Manager. Not less frequently than every five years, the Committee shall undertake a review of the Investment Manager and market comparison with other investment managers to determine suitability for the FUND.
- Taking appropriate action if the Investment Manager does not meet the investment objectives or follow the investment guidelines.
- Reporting periodically to the Vestry.
- Meeting periodically to carry out its responsibilities.

Investment Manager. The Investment Manager shall invest and manage the assets of the FUND in conformity with this IPS unless in the Investment Manager's opinion to do so would be clearly imprudent. The Investment Manager is responsible for:

- Designing an investment strategy that complies with this IPS and any related policies in consultation with the Legacy Fund Committee.
- Implementing the investment strategy, including fund selection and tactical asset allocation, within the guidelines of this IPS and any related policies.
- Providing timely written quarterly performance reports to the Legacy Fund Committee.
- Promptly notifying the Legacy Fund Committee in writing of any material deviation from this IPS.

Custodian. The assets of the FUND shall be held by a custodian that is a reputable, well-established financial institution. The custodian is responsible for:

- Safekeeping the assets of the FUND.
- Providing timely reports of transactions and valuations of assets.
- Fulfilling all regular fiduciary duties required of a custodian by pertinent state and federal laws and regulations.

8. Pooling of Funds

The assets of the various Funds within the FUND shall be aggregated and invested as a single pool of assets. Separate accounting for each of the Funds will be maintained. Each quarter, income and any realized or unrealized gains or losses are allocated, pro rata, to each fund within the FUND based on relative market values at the end of the prior quarter.

St. Andrew's Episcopal Church
New London, NH
LEGACY FUND
Spending Policy

Funds available for distribution will be determined annually by using a total return principle, i.e., return derived from dividends and interest *as well as* realized and unrealized capital gains. The funds available for distribution during any one year will be limited to a percentage of the market value of the FUND that is based on a three-year or 12-quarter rolling average value. The market value for this purpose will be taken net of the fees for investment management.

The percentage of the FUND made available for distribution shall be determined each year by the Committee and will normally fall in the range of 3% to 5%. In so doing, market performance of the portfolio will be an important consideration. It will be the goal of the Committee to grow, or at least maintain, the purchasing power of the FUND taking into account the impact of inflation and fees.

In making this recommendation, the Committee shall act in good faith with the care that an ordinary prudent person in a like position would exercise under similar circumstances and shall consider, if relevant, the standards set out in the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). With regard to true endowment funds, at no time shall the Committee recommend, nor should the Vestry approve, a spending rate that creates a presumption of imprudence under UPMIFA.

The Committee will periodically review the spending rate with the Investment Manager. Any funds distributed from the FUND must be spent according to donor restrictions or church policy. Any funds available for distribution but not spent will remain in the FUND and available for distribution in subsequent years unless otherwise recommended by the Committee and approved by the Vestry.

Distributions from the FUND may not be made to the operating budget of St. Andrew's unless authorized by these or other resolutions.

Distributions from the fund may be made as follows:

- 1) in accordance with instructions from donors for specific purposes;
- 2) at least 50% not otherwise distributed under (1), above, will be used for missional work, including but not limited to outreach, evangelism, special projects and new ministries;
- 3) a maximum of 50% of the distributions from the FUND, not distributed under (1), above in any given year may be used for the core elements of ministry funded by the annual operating budget including but not limited to worship, pastoral care, Christian education and spiritual formation.

In the event of an emergency as defined by the Vestry, the Vestry may authorize additional distributions from the General Fund following the procedures outlined in Section 14 of the Enabling Resolution and informing the congregation prior to taking action.

No portion of the FUND may be "borrowed" including any "temporary usage" for other needs of St. Andrew's.

Appendix A

St. Andrew's Episcopal Church New London, NH Summary of Legacy Funds

Permanent Endowment Fund

Type: Donor restricted “true” endowment to be held in perpetuity and protected by UPMIFA as adopted in the state of New Hampshire.

Purpose: Provide a reliable source of income over time to support the work and witness of St. Andrew's Church in a manner that empowers ministry, encourages innovation and prioritizes mission, and such other purposes that are specifically designated by the Vestry or donors whose gifts are included in the FUND.

Spending: A prudent amount of total return, typically 3-5% each year of a rolling 12-quarter average fund value.

General Fund

Type: Vestry-designated quasi-endowment fund to be managed according to church policy as if it were a true endowment fund except that the Vestry may spend more than the prudent draw following special votes.

Purpose: Provide a reliable source of income over time to support the work and witness of St. Andrew's Church in a manner that empowers ministry, encourages innovation and prioritizes mission, and such other purposes that are specifically designated by the Vestry or donors whose gifts are included in the FUND.

Spending: A prudent amount of total return, typically 3-5% each year of a rolling 12-quarter average value of the FUND, plus additional distributions as permitted by church policy.

Appendix B
St. Andrew's Episcopal Church
New London, NH
Legacy Funds
Investment Criteria

The tactical asset allocation for the Legacy Fund of St. Andrew's will be reviewed regularly by the Legacy Fund Committee. The following is an example of prudent asset allocation and benchmarks.

This information is provided as a guideline for the Legacy Fund of St. Andrew's Episcopal Church as of the date of this IPS. It may be updated or amended over time.

1. Asset Allocation

	Strategic		
	Low	Target	High
EQUITIES			
U.S. Large Cap	10.00%	23.00%	50.00%
U.S. Mid Cap	0.00%	5.00%	15.00%
U.S. Small Cap	0.00%	5.00%	15.00%
Int'l Developed Large	10.00%	15.00%	45.00%
Int'l Developed Small	0.00%	4.00%	10.00%
Int'l Emerging Markets	0.00%	8.00%	20.00%
U.S. REITs	0.00%	2.50%	15.00%
Int'l REITs	0.00%	2.50%	10.00%
Commodities	0.00%	5.00%	15.00%
		70.00%	
FIXED INCOME			
U.S. Investment Grade	10.00%	15.00%	40.00%
U.S. Non-Investment Grade	0.00%	5.00%	15.00%
U.S. TIPS	0.00%	5.00%	15.00%
Int'l Emerging Fixed	0.00%	5.00%	10.00%
Cash	0.00%	0.00%	5.00%
		30.00%	

2. Benchmark

Asset Class	Benchmark
US Large Cap	S&P 500 Index
US Mid Cap	S&P Mid Cap 400 Index
US Small Cap	Russell 2000 Index
International Developed	MSCI EAFE Index
International Developed Small Cap	S&P EPAC Small Cap Index
Emerging Markets	MSCI Emerging Markets Index
US REITs	DJ US Select REIT Index
International REITs	DJ Global ex-US Sel RE Securities Index
Commodities	BBG Roll Sel Comm Ttl Return Index
US Investment Grade Fixed Income	BBG BC US Aggregate Bond Ind
US Treasury Inflation Protected Secs	BG BC US TIPS Index
US Non-Investment Grade Fixed Income	BBG BC US Hi Yld Cstm BB/B ex144A

Appendix C

Diocesan Investment Fund Investment Policy Statement (attached)