

**THE VESTRY OF ST. MARK'S CHURCH
MOSCOW, PA**

**THE LEGACY ENDOWMENT FUND OF ST. MARK'S, MOSCOW
ENABLING RESOLUTION**

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind – time, talents, the created world and money, including accumulated, inherited and appreciated assets; and

WHEREAS, Christians can give to the work of the Church through a variety of gift vehicles, in addition to cash and securities, including bequests in wills, charitable remainder trusts and other life income gifts, other trusts, life insurance policies, real estate, securities and other property; and

WHEREAS, it is the desire of this parish to encourage, receive and administer these gifts in a manner faithful to the loyalty and devotion to God expressed by the donors, and in accord with the canons of the Episcopal Church and the Diocese of Bethlehem, and the policies of this parish:

THEREFORE BE IT RESOLVED, that this parish, through action of its Vestry, establishes a new and separate fund to be known as The Legacy Endowment Fund (hereafter called the "FUND") of St. Mark's, Moscow (hereafter referred to as "PARISH");

BE IT FURTHER RESOLVED, that the purpose of this FUND is to enable PARISH to more completely fulfill its mission by assuring the ongoing viability of the PARISH and developing its ministries beyond what is possible through its annual operating funds, and therefore that distributions from the fund shall be used for (a) capital needs of PARISH (b) outreach and new ministries, (c) such other purposes as are specifically designated by donors to PARISH whose gifts are included in the FUND and (d) other purposes as directed by the vestry.

BE IT FURTHER RESOLVED, that the ENDOWMENT FUND BOARD (hereafter called the "BOARD") shall be the custodian of the FUND;

BE IT FURTHER RESOLVED, that the following PLAN OF OPERATION sets forth the administration and management of the FUND:

PLAN OF OPERATION

1. The Endowment Board

The BOARD shall consist of five members, all of whom shall be members in good standing of St. Mark's; they shall be appointed by the Vestry. Additionally, the Rector and Senior Warden shall be *ex-officio* members of the BOARD. Except as herein limited, the term of each member shall be three (3) years. Upon adoption of this resolution, two (2) members shall be appointed

for a term of three (3) years; two (2) members for a term of two (2) years, and one (1) member for a term of one (1) year. Thereafter, on an annual basis, the Vestry shall appoint the necessary number for a term of three years. No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former BOARD members may be re-elected. 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 re-appointment to a normal three (3) year term.

Any BOARD member who misses two consecutive BOARD meetings may be considered inactive and is subject to replacement at the discretion of the Vestry.

The ENDOWMENT BOARD shall meet at least quarterly, or more frequently as deemed by it in the best interest of the FUND.

A quorum shall consist of four (4) members. The affirmative vote of four (4) members shall be necessary to carry any motion or resolution.

The BOARD shall elect from its membership a Chairperson and a Secretary. The Chairperson, or member designated by the Chairperson, shall preside at all BOARD meetings.

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 Vestry in a timely manner.

The Treasurer of the PARISH shall maintain complete and accurate books of account for the FUND. At the discretion of the Vestry, the books may be audited annually as part of the general audit of the church's books by a certified public accountant or other qualified person. Such person shall not be a member of the BOARD.

The BOARD shall report on a quarterly basis to the Vestry and, at each annual meeting of the congregation, shall render a full and complete account of the administration of the FUND during the preceding year.

The BOARD, at the expense of the FUND, may provide for such professional counseling on investments or legal matters as it deems to be in the best interests of the FUND.

Members of the ENDOWMENT BOARD shall be liable for any acts or omissions committed by them (including losses which may be incurred upon the investments of the assets of the FUND) 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 FUND 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 with the interest of the FUND.

All assets are to be held in the name of The Legacy Endowment Fund of St. Mark's, Moscow. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the FUND, including stocks, bonds, debentures,

mortgages, notes, warrants of other securities, as in the BOARD's judgment and discretion are deemed wise and prudent, are to be made by a delegated member of the BOARD at the direction of the BOARD based on a majority vote.

2. Acceptance of gifts to the Endowment Fund

The BOARD will establish a gift review process through which the decision is made whether a gift shall be accepted. If a gift of property other than cash or publicly traded securities is offered the PARISH, there will be conducted a careful review to determine whether the best interests of the congregation are served by accepting or rejecting the gift. Guidelines for conducting such a review shall be incorporated in the Gift Review Policy.

3. Distributions from the Endowment Fund

It is the intent of this resolution that the FUND shall be managed as a true endowment employing the restriction that the principal shall not be invaded except as provided for in sections 4 and 5 below; however, distributions from the FUND 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 that, with the approval of the Vestry, will provide for the withdrawal and use of funds consistent with the stated purposes of the FUND as defined in the first section of this resolution.

4. Emergency use of funds

For the purposes of this resolution, an emergency is defined as a condition in which, after all other reasonable measures have been exhausted, the ongoing viability of the PARISH is possible only by use of all or a part of the principal of the fund and/or of the portions of the fund reserved for other purposes. In case of such an emergency, the Vestry will be authorized to invade the principal and/or other portions of the fund only to the extent necessary to assure the ongoing viability of the PARISH by approval of both the BOARD and the Vestry. Such approval shall consist of the affirmative vote of at least 75% of the total membership of the BOARD and 2/3 of the total membership of the Vestry.

5. Use of Capital Fund principal

With the approval of the Vestry, the principal of the Capital Fund portion of the FUND may be used for major capital additions or improvements.

6. Amendment of these resolutions

Any amendment to these Resolutions shall be adopted by a vote of at least two-thirds (2/3) of the entire membership of the Vestry at a regularly scheduled meeting or at a special meeting called specifically for the purpose of amending these Resolutions.

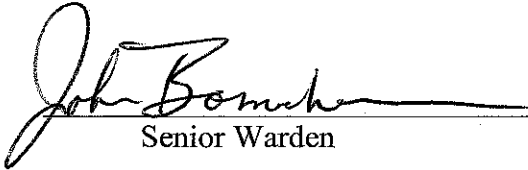
7. Disposition or transfer of FUND

In the event PARISH ceases to exist, whether through merger, dissolution or some other event, disposition or transfer of the FUND shall be at the discretion of the Vestry in conformity with the approved congregational constitution and with consultation with the Bishop of the Diocese of

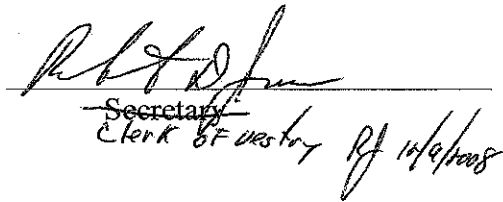
Bethlehem. Consultation with the Episcopal Church Foundation may be desirable for continuation of FUND obligations.

The foregoing Resolutions are hereby ADOPTED by the Vestry of St. Mark's this 9th day of December, 2009.

St. Mark's, Moscow


Senior Warden

Attest:


~~Secretary~~
Clerk of Vestry of 12/9/2009

**THE VESTRY
OF
ST. MARK'S CHURCH, MOSCOW, PA**

GIFT ACCEPTANCE POLICY

Purpose

This gift acceptance policy will provide guidelines to a representative of St. Mark's, Moscow 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 St. Mark's. 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.

Gift Review Committee

Any questions which may arise in the review and acceptance of gifts to the [parish] will be referred to The Gift Review Committee, which, unless otherwise designated by the vestry, will be comprised of the full Endowment Fund Board.

Cash

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

Publicly Traded Securities

- 1) Readily marketable securities, such as those traded on a stock exchange, can be accepted by St. Mark's.
- 2) For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift.
- 3) A gift of securities to St. Mark's normally would be liquidated immediately. However, if the form or designation of the gift allows the possibility that it will be directed to the Endowment Fund, 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

Endowment Fund, the certificates will be given to the Fund's investment manager who then will act on the Endowment Board's decision whether to sell or hold the securities, which decision will be made on portfolio considerations.

Closely Held Securities

- 1) Non-publicly traded securities may be accepted after consultation with the Gift Review Committee.
- 2) Prior to acceptance, the Gift Review Committee will explore methods and timing of liquidation of the securities through redemption or sale. The Gift Review Committee will try to determine:
 - a) An estimate of fair market value
 - b) Any restrictions on transfer
 - c) Whether and 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.

Real Estate

- 1) Any gift of real estate must be reviewed by the Gift Review Committee.
- 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 of the property 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) St. Mark's reserves the right to require an environmental assessment of any potential real estate gift.
- 6) The property must be transferred to St. Mark's 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.

Life Insurance

- 1) A gift of a life insurance policy must be referred to the Gift Review Committee.
- 2) The parish can be named a contingent beneficiary or the beneficiary of a percentage of a life insurance policy.
- 3) The vestry will accept ownership of a life insurance policy as a gift only if St. Mark's is named as the owner and beneficiary of 100% of the policy.
- 4) If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
- 5) If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value. (Note: 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.)

Tangible Personal Property

- 1) Any gift of tangible personal property shall be referred to the Gift Review Committee prior to acceptance.
- 2) A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to St. Mark's which may be realized either by being sold or by being used in connection with the parish's exempt purpose.
- 3) Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.
- 4) St. Mark's 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.

Deferred Gifts

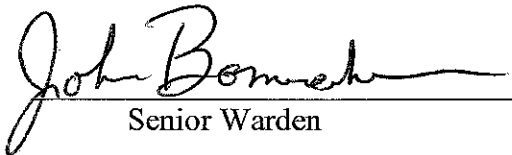
- 1) St. Mark's encourages deferred gifts in its favor through any of a variety of vehicles:
 - a) Charitable gift annuity (or deferred gift annuity)
 - b) Pooled income fund
 - c) Charitable remainder trust
 - d) Charitable lead trust
 - e) Bequest
 - f) Retained life estate
- 2) St. Mark's (or its 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. Mark's (or its agent) shall not act as trustee of a charitable remainder trust.
- 4) When appropriate, St. Mark's may invite prospective donors to consider the gift vehicles offered by The Episcopal Church Foundation (specifically, Charitable Remainder Trusts, Charitable Gift Annuities and the Pooled Income Fund) as well as its investment services.
- 5) 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.
- 6) All information obtained from or about donors/prospects shall be held in the strictest confidence by St. Mark's, its staff and volunteers. Neither the name, the amount, nor the conditions of any gift shall be published without the express written or oral approval of the donor and/or beneficiary.
- 7) St. Mark's 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.

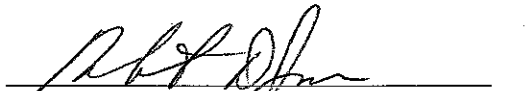
- 8) The Vestry, upon the advice of the Gift Review Committee, reserves the right to decline any gift that does not further the mission or goals of the parish. Also, any gifts that would create an administrative burden or cause the parish to incur excessive expenses may be declined.

The foregoing Policy is hereby ADOPTED by the Vestry of St. Mark's this 9th day of December, 2008.

St. Mark's, Moscow


Senior Warden

Attest:


Secretary
clerk of vestry of 12/9/08

**THE BOARD OF THE ENDOWMENT FUND
OF
ST. MARK'S CHURCH, MOSCOW, PA**

DESIGNATED FUNDS POLICY

The Legacy Endowment Fund of St. Mark's is initially made up of three designated funds as follows:

- (a) A Capital Fund
- (b) An Outreach and New Ministries Fund
- (c) A General Fund

Any gift can be designated by the donor to any one or more of the previously-established designated funds regardless of amount.

An additional separate and designated fund of the Endowment Fund may be established for gifts in the amount of \$25,000 or more. These assets may be merged with other assets of the Endowment Fund for investment purposes, but the identity and designated purpose of each fund is preserved individually.

Such a fund is established effective the last day of the quarter in which the gift is received. The value is determined either by the actual value, if received by the Endowment Fund in cash, or the market value of the assets determined on the date the fund is established.

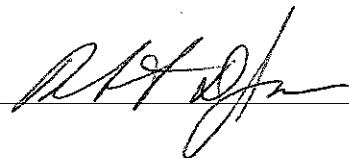
Income, realized gains or losses, and unrealized gains or losses are allocated quarterly to each fund based on its market value relative to the total market value of the Endowment Fund at the end of the previous quarter. New gifts are then added and withdrawals are subtracted to arrive at the new value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

The funds made available for expenditure, under the formula defined in the Allocations Policy, are limited to the purposes specified in the designation. Unless otherwise restricted by the donor, the Vestry, or Board of the Endowment Fund, any available but unspent funds remain in the fund and are available for expenditure in subsequent years, as stipulated in the Allocations Policy. These unspent funds increase the total market value of the designated fund and continue to accrue earnings until expended.

The Endowment Fund Board may agree to establish an individual fund with a lesser amount than \$25,000, with the assurance of the donor(s) that the fund will be added to over time and that the \$25,000 minimum level will be reached in a reasonable time. Until such time as the minimum level is reached and a designated fund is established, no earnings will be available for expenditure. The portion of the earnings attributed to that fund will be accrued and become part of the corpus to more readily move the fund to the \$25,000 minimum level.

Adopted by action of the Endowment Fund Board of St. Mark's Church, Moscow, PA this 9th day of December, 2009.

Attest:



**THE BOARD OF THE ENDOWMENT FUND
OF
ST. MARK'S CHURCH, MOSCOW, PA**

POLICY REGARDING THE DISPOSITION OF BEQUESTS

- 1) **General.** This policy statement 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. 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:
 - a) "St. Mark's, Moscow of the Episcopal Diocese of Bethlehem" or some other wording such as, "St. Mark's Church, Moscow, PA."
 - b) "The Endowment Fund of St. Mark's, Moscow" or similar wording.

- 2) **Bequests with "St. Mark's" as beneficiary** can be of two general types:
 - a) **"Designated"** in which the donor has identified a specific purpose(s) to which the funds should be directed. Funds may be designated as outlined in the "Designated Funds" policy. 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 Legacy Endowment Fund) or by direct expenditure of the funds through the Treasurer of the Parish.

 - b) **"Undesignated"** in which case the Vestry and Rector 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 Parish Endowment Fund. 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.

In such instances the following procedures will apply:

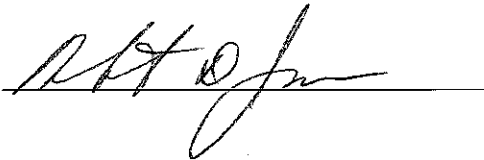
- i) The Rector of the Parish will assess the particular circumstances giving rise to a perceived need to make an exception to the policy. Such circumstances should be judged by the Rector to be truly extraordinary and that no other financial resources of the Parish are available or are expected to be available in time to fulfill the urgent needs. If the Rector concludes that an exception is appropriate, the Rector will bring a recommendation to the Vestry at the earliest practicable time.

- ii) Final authority for granting such an exception to policy will rest with the Vestry.

- 3) **Bequests designating the Parish Endowment Fund as beneficiary** are automatically transferred to the Endowment Fund upon receipt. 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 Endowment Fund, as provided for in a separate policy, and the earnings made available for use for that designated purpose only. If the bequest to the Endowment Fund is otherwise undesignated, the assets will be directed to one or more of the designated portions as directed by the vestry upon recommendation of the Endowment Board.
- 4) **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 relevant offices of the Parish, including the Rector, the Senior Warden, and the Chair of the Board of the Endowment Fund. A decision regarding the liquidation of securities will not be made until it is determined whether those assets are to be directed to the Endowment Fund, in which case the certificates will be given to the Investment Manager of the Fund 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 of the Parish. The method, timing, agent, etc. for the liquidation of other assets (such as real estate or personal property) will be decided by the Vestry.
- 5) **Appropriate acknowledgements of bequests** will be given by the Rector and by the Chair of the Board of the Endowment Fund in a timely manner.

Adopted by action of the Board of the Endowment Fund of St. Mark's this 9th day of December, 2009.

Attest:

A handwritten signature in black ink, appearing to be "R. H. O. J.", is written over a horizontal line.

**THE BOARD OF THE ENDOWMENT FUND
OF
ST. MARK'S CHURCH, MOSCOW, PA**

INVESTMENT GUIDELINES

The Endowment Fund Board will administer the portfolio of the Endowment Fund of St. Mark's in accordance with these guidelines, as adopted and amended from time to time. These guidelines shall be reviewed at least annually by The Board to determine whether they shall be amended or remain unchanged. The Board may choose to employ an outside investment manager.

Objectives

The assets of the Endowment Fund are to be invested with the same care, skill and diligence that a prudent person would exercise in investing institutional endowment funds. The primary objective will be to achieve a reasonable total return on the assets, while limiting the risk exposure to ensure the preservation of capital.

Policies

The Board will make investment decisions in accordance with the Objectives stated above. The "prudent person rule" shall be the governing policy in making investments. These guidelines are not intended to restrict or impede the efforts of the Board to attain the Endowment Fund objectives nor is it intended to exclude the Board from taking advantage of appropriate opportunities as they arise. The Board shall have discretion and flexibility to implement the objectives and policies herein set forth.

The Board shall establish and maintain an asset allocation to reflect and be consistent with the objectives and policies herein set forth.

The Board shall not invest in private placement, letter stock, futures transactions, arbitrage and other uncovered options and shall not engage in short sales, margin transactions or other similar specialized investment activities.

Diocesan Endowment Trust ("DIT")

It is acknowledged that the Diocesan Endowment Trust ("DIT") of the Diocese of Bethlehem is an excellent investment option and any or all funds may be invested in the DIT. Those funds NOT invested in the DIT are to be invested as covered under "Asset Allocation" below.

Asset Allocation

Because the security market may vary greatly throughout a market cycle, the Board may change the asset mix of the Endowment Fund within the following ranges as long as that mix meets the overall

objectives and is consistent with the policy guidelines herein set forth. The Fund shall be allocated between (i) equity investments and (ii) bonds and/or other fixed income securities. The strategic target allocation shall be within the following ranges:

Equities:	25% - 40%
Fixed Income:	70% - 40%
Cash:	5% - 20%

The target allocation among equity classes (e.g., Large Cap, Small Cap, International, Emerging Market, etc.) shall be determined periodically (and at least annually) by the Board, in consultation with the investment manager(s), to reflect a prudent response to current market conditions.

Investment Goals

While maintaining the asset mix within the above guidelines, the Board accepts a risk level for the Fund's overall investment program that is intended to produce a total annual return adequate to cover these components: (i) expenditures from the Fund, (ii) inflation, (iii) growth of the Fund. Currently the Fund management will seek to achieve the following specific goals:


- Allocating 3% of the Fund as "available for expenditure," as delineated in the Policy on Spending Rules;
- Retaining a portion of the Fund equal to the average rate of inflation, currently 3%;
- Retaining a portion of the Fund for reinvestment to provide for additional growth of the Fund, currently 2%
- Combining these elements, the Board has established a target for total return on the Fund's assets of 8% annually.

Reporting

Included in the quarterly report provided by the Board to the Vestry will be a status report with the fund value, any change in the asset allocation strategy, and the investment performance. The report shall reflect compliance with the objectives, policies and guidelines set forth herein.

Adopted by action of the Board of the Endowment Fund of St. Mark's this 9th day of December, 2009.

Attest:



A handwritten signature in black ink, appearing to be 'R. J. O.', is written over a horizontal line.

**THE BOARD OF THE ENDOWMENT FUND
OF
ST. MARK'S CHURCH, MOSCOW, PA**

SPENDING RULES

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

1. Upon written request of the Vestry, and with the approval of the Board of the Endowment Fund, funds may be transferred to the parish treasurer for those uses which conform to the purposes and restrictions incorporated in the enabling resolution adopted by the Vestry on December 9, 2009.
2. As set forth in this enabling Vestry resolution, the Board of The Endowment Fund may obligate monies for general expenses incident to the management and administration of the Fund. Extraordinary initiatives contemplated by the Board to be undertaken for Endowment Fund development will be approved by the Vestry before implementation.

Expendable funds will be determined on the basis of a total return principle and will not be dependent upon income generated through interest or dividends. The funds available for distribution during any one year will be limited to a percentage of the market value of the corpus that is based on a three-year rolling average, with measures taken at the end of each of the preceding twelve quarters. The market value for this purpose will be taken net of the fees for investment management. This year that percentage is set at 0%; the three-year rolling average market value is determined to be \$0.00; therefore the funds available for distribution are \$0.00.

All other expenditures, whether in categories 1) or 2) above, will be taken from funds available for distribution.

The percentage of the corpus to be made available shall be determined each year by the Board of the Endowment Fund. In so doing, market performance of the portfolio will be an important consideration. However, it will be the goal of the Board to grow, or at least maintain, the purchasing power of the Fund, taking inflationary effects into account.

Any unexpended funds from those available for distribution in a given year will be accrued and will continue to be considered "available for distribution" in subsequent years, unless otherwise designated by action of the Board of the Endowment Fund, with the approval of the Vestry.

Adopted by action of the Board of the Endowment Fund of St. Mark's this 9th day of December, 2009.

Attest:



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