

# **St. George Serbian Orthodox Church of Duluth, Minnesota**

## **St. George Endowment Policy**

I. The purpose of the Endowment Fund Policy is to establish a clear understanding between St. George Serbian Orthodox Church and stewards of St. George Serbian Orthodox Church in defining the Endowment Fund and the procedures that guide the fund and those managing it.

A. The St. George Serbian Orthodox Church Endowment Fund is defined as a “safety net” for the future of St. George Serbian Orthodox church. The Endowment Fund is formed on contributions and the interest on those contributions. The goal is to build a strong endowment fund to create the financial base St/ George Serbian Orthodox Church will need:

- i. to support the mission of St. George Serbian Orthodox church and the holy Eastern Orthodox faith.
- ii. to ensure future financial stability of St. George Serbian Orthodox Church

B. The Endowment Fund shall receive contributions for the purpose of prudently investing in secure funds.

C. The Endowment Fund will accept endowments that meet or exceed \$3,000.

D. The principal of the fund shall be held in perpetuity.

E. The Finance Committee established the Endowment Fund and will oversee the fund until the next annual meeting of the church congregation.

F. The Endowment Fund will be managed by a committee under the jurisdiction of the Executive Board of St. George Serbian Orthodox Church.

## II. The Endowment Committee

A. The Endowment Committee shall consist of five (5) members.

- The president of the church board
- The priest
- One member of the finance committee
- Two (2) elected at the annual meeting of the church congregation. The election will be in a three year rotation in order to maintain continuity in managing the fund.

B. All Endowment Committee members shall endeavor to maintain a high degree of communication with St. George Serbian Orthodox Church

Executive Board and stewards of St. George Serbian Orthodox Church to nurture the total life and mission of the church and of the Endowment Fund.

C. The Endowment Committee will use prudence and diligence in establishing and maintaining accounts with such financial institutions as it may authorize and determine.

D. The Endowment Committee shall maintain complete and accurate records of the accounts and may employ such professional help as it deems necessary in this regard. A report will be issued quarterly to the financial secretary and the treasurer for inclusion in the financial reports. The records shall be audited annually and the audit report will be on file at the time of the annual meeting of St. George Serbian Orthodox Church.

### III. Duties of the Endowment Committee.

A. The church may receive funds on behalf of the Endowment Fund through:

#### **Cash Contributions**

A gift of cash is the simplest way to support the Endowment Fund. Cash contributions including gifts for memorials, tributes, and the holiday appeal, are fully tax-deductible for federal income tax purposes.

#### **Securities**

Gifts of appreciated securities, including stocks and bonds, have several tax advantages and make excellent gifts for the Endowment Fund and the donor. When you transfer appreciated stocks or bonds to the Endowment Fund, you can avoid capital gains tax and secure an income tax deduction for the security's full fair market value. This can allow you the opportunity to make larger gifts than you ever thought possible, particularly when gifting highly appreciated securities with a very low cost basis.

#### **Bequests**

A portion of your estate can be given to the Endowment Fund through your will, or from your living trust. You can include gifts of cash, stock, property, real estate, or a gift of the residue and remainder of your estate when other bequests have been fulfilled. You may easily create a legacy of generosity directed to a specific program, service or interest. This gift becomes a part of the Endowment Fund at the time your will is probated, and your estate will qualify for a federal estate tax charitable deduction.

#### **Real Estate**

Gifts of appreciated real estate are like gifts of appreciated securities. When property has been owned for more than one year, the fair market value may be deducted as a charitable contribution while avoiding capital gains taxes. Certain arrangements can allow you the right to live in or use the property for the rest of your life, or the joint lives of you and your spouse, before passing the asset on to the Endowment Fund through a life estate agreement.

### **Charitable Trusts and Annuities**

Lifetime charitable trusts and gift annuities are very versatile gift options available to meet individual circumstances and needs. Most often they can provide an increased income stream for you and others you designate for life, have beneficial tax advantages and significantly help the Endowment Fund. There are several types of charitable trust arrangements that can be used both during life and at death depending on your personal, financial and charitable goals. The Endowment Fund committee will work with you and your advisors in structuring a gift of maximum benefit to you.

### **Life Insurance**

Life insurance policies can be given in several different ways. Donors may designate the Endowment Fund as a beneficiary or an owner of the policy. There are special tax advantages for the gifting of an existing policy, a paid-up policy or a newly purchased policy.

B. All endowment fund monies and property shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to St. George Serbian Orthodox Church. All assets received shall be approved as appropriate by the Endowment Committee prior to final acceptance.

C. Should the Endowment Committee receive a restricted gift, the Endowment Committee shall review said restrictions, and make recommendation to the Church Executive Board as to whether to accept said gift pursuant to the restrictions, reject said gift, or accept said gift with adjustments to the restrictions.

D. At the annual meeting of St. George Serbian Orthodox Church congregation, the Endowment Committee shall provide a report to St. George Serbian Orthodox Church Executive Board of its activities, investments, and disbursements. The annual report shall be made available to the stewards of St. George Serbian Orthodox Church in Duluth, Minnesota.

E. The Endowment Committee shall in no event be required to make physical segregation of the assets of the endowment fund in order to conform to the directions of any individual donor, but may establish separate accounts in its accounting records.

F. All new members of the Endowment Committee are to receive a copy of this policy and procedures, and shall become acquainted with the function and purposes and management of the Endowment Fund.

## **IV. Powers**

In the administration of the endowment fund, the Endowment Committee shall have powers and authority necessary to execute day to day transactions to carry out the purposes of the fund, including the following powers and authority on

behalf of and under the jurisdiction of St. George Serbian Orthodox Church of Duluth, Minnesota

A. To take, have, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects part thereof, as they in their judgment and discretion shall deem wise and prudent;

B. To receive the income, profits, rents and proceeds of the endowment fund and to collect and receipt for the same;

C. To determine what is principal and income according to generally accepted accounting procedures;

D. To hold investments in the name of the St. George Serbian Orthodox Church Endowment Fund on behalf of the stewards of St. George Serbian Orthodox Church and to sign checks and all other necessary documents on behalf of St. George Serbian Orthodox Church in furtherance of the Endowment Fund purposes;

E. To distribute, from time to time, for the purposes herein stated, such payments or amounts as the Executive Board in its discretion shall determine, consistent, so far as practicable, with the recommendations of the annual assembly, or special assembly, as to the use of Endowment Fund income;

#### V. The Fund

This Endowment Fund policy may not be altered or amended except by a two-thirds majority vote of St. George Serbian Orthodox Church stewards present and voting at an annual meeting of the parish, or at a special meeting called specifically for the purpose of amending this resolution.

#### VI. Tax Exemptions

A. Any gifts given to the endowment fund, as well as all income derived there from, shall be used exclusively for religious, charitable and education purposes within the meaning of section 501 (c)(3) of the internal revenue code of 1986 or the corresponding provisions of any future United States internal revenue law.

B. This Endowment Fund is created and shall be operated exclusively for church purposes. No part of the income or property of this fund shall inure to the benefit of or be distributable to any member, director, or officer of St. George Serbian Orthodox Church or to any other private person.