

# **First Presbyterian Church of Cedar Rapids, Iowa Endowment Fund Plan**

## **HISTORY**

The Endowment Fund Plan was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2019 by the Congregation at a special meeting called for this purpose. The current plan replaces the Endowment Fund Plan adopted on the 29<sup>th</sup> Day of January 1995 by the Congregation at its annual meeting upon motion of Dick Evans, Finance Committee Chair, and seconded by Ted Kubicek, member of the Finance Committee. The motion called for revoking the Endowment Fund Plan adopted January 24, 1968 and substituting the 1995 Plan. The Plan is administered by the Endowment Committee, as the agent for, and with the approval of, the Session.

## **MISSION STATEMENT AND PURPOSE OF THE PLAN**

First Presbyterian Church of Cedar Rapids, Iowa is a community of Christ living out our mission statement: *We seek to be a vital, caring, Christian community committed to the sacred and spiritual amidst the secular by experiencing God in Christ in worship, service, education, and fellowship. We welcome others searching for this experience.*

As a non-profit corporation organized and existing under the laws of the State of Iowa, First Presbyterian Church encourages the solicitation and acceptance of gifts to further and to fulfill its mission. The Church encourages donors to make both outright and planned gifts. Documents related to the administration of the endowment consist of this Plan, the Gift Acceptance Policy (Appendix A), Endowment Investment Policy (Appendix B); and the Endowment Spending Policy (Appendix C).

The members of First Presbyterian Church recognize that gifts are made because our brothers and sisters in Christ have affirmed their commitment to the Church now and in the future. We honor the gifts and sacrifices of the past, and we renew our commitment to use all of these gifts to proclaim the good news of Jesus Christ, and to invest and manage Endowment gifts for their use in perpetuity.

## **GOALS AND OBJECTIVES OF THE PLAN**

To advance the presence and mission of the Church.

To encourage and promote giving to the Church.

To provide a secure and financially stable vehicle to receive, invest, and manage funds and proceeds derived from gifts and bequests to the Endowment in a manner that is supportive of, and consistent with, the Christian faith, and that maximizes the religious, social and financial well being of society at large as well as of the First Presbyterian Church of Cedar Rapids.

To create an Endowment that will be maintained in perpetuity and which shall consist of two types of funds:

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Restricted Funds- whereby the donor specifies how and for what the gift to this fund shall be used. An example is the Holscher Fund for the Needy.

Unrestricted Funds- whereby the donor does not specify how the gift shall be used.

The principal of gifts, devises and bequests to the Endowment shall be held as a whole *unless*, by the terms of any such gift, a specific purpose is stated whereby the gift shall be held and distributed in accordance with the directions of the donor.

To facilitate Session's right to accept and/or reject certain gifts and to monitor the Gift Acceptance Policies and Procedures as contained in Appendix A.

To ensure that funds received by the Endowment are invested as specified in the Endowment Plan Investment Policy as contained in Appendix B.

To provide access to growth and earnings from the Endowment for the financial support of programs, projects and ministries of the Church, using the Endowment Spending Policy contained in Appendix C.

### **ADMINISTRATION OF FUND**

The Fund shall be administered by an Endowment Committee (the Committee), a standing committee charged by the Session with the responsibility of advising the First Presbyterian Church of Cedar Rapids Session on investment policy and implementing such policy.

### **COMMITTEE MEMBERSHIP**

The Endowment Committee shall consist of not less than 5 and no more than 8 members, at least one of whom shall be a member of, and chosen by, the Session and who shall serve as Chairperson of the Committee. This Session member shall serve at the pleasure of the Session and not be subject to the provisions herein that apply to the other members.

Each of the other members shall be chosen from among members of the Church by the Church Nominating Committee, subject to the approval of the Congregation. Each member shall serve for a three-year period and may serve two consecutive terms. No member shall be eligible for reelection for a least one year after serving two full terms. Terms shall be staggered to the extent practicable

In addition to the other members, the Church Finance Committee may send one representative to Endowment Committee meetings as a liaison between the two committees. The Finance representative is not eligible to vote.

From among the regular members, the Committee shall choose a vice chairperson and a secretary. Each shall serve for a period of one year or until otherwise replaced by the Committee. The secretary shall keep detailed minutes of all meetings and decisions of the Committee. Votes

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shall be tabulated, identifying how each member voted in the event the voting is not unanimous. The Church Treasurer, who shall not be a member of the Committee, shall serve as the Treasurer of the Fund.

Entry to any safe deposit box holding securities of the Fund shall require the presence of at least two individuals chosen by the Committee.

The term of any of member shall be automatically vacated upon either (1) death, (2) cessation as a member of First Presbyterian Church, or (3) removal by the Session. Such vacancy, or any vacancy occurring by resignation, shall be filled for the remaining portion of the term by the Session.

The Pastor and the Church Treasurer shall serve as ex officio non-voting members of the Committee.

No member, including the Session member and the ex officio members, shall have any pecuniary interest in any transaction or investment of the Fund. Members shall be free and harmless against any loss to the Fund unless they intentionally violate their fiduciary relationship.

The Committee may hire such agents, attorneys, or professional trustees as it deems necessary for the proper management of the Fund and pay them reasonable compensation for services rendered. Such compensation shall be considered a cost of administering the Fund. Members shall not be personally liable for the actions of such parties where reasonable care was used in selecting them.

### **OTHER COMMITTEE RESPONSIBILITIES**

The Endowment Committee:

- Formulates and proposes to the Session investment policies, objectives and strategies for the Fund's investment assets, which may include asset allocation and manager selection.
- Implements and oversees the implementation of investment policies and practices, and monitors performance of the investment portfolio.
- Selects and releases investment managers. Reviews investment managers' performance at least every five years. Review date and decision to retain or replace the manager shall be recorded in the meeting minutes.
- Reviews investment policy at least bi-annually to determine whether they should be amended or remain unchanged,
- Reports investment performance annually to the Session, together with any recommended changes.
- Provides a written report for inclusion in the Church Annual Report.
- Acquaints the congregation with the Endowment Fund Plan and promotes gifts, both living and testamentary, to the Fund.
- Presents to the Session during each budgetary process, and at such other times as may be required, a status report of the Fund and a proposed program of use for the following year. Such program shall always be subject to Session approval.

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- Conduct its business so as to promote complete confidence and trust in respect to all matters concerning these funds.
- Periodically review with the Session, at least annually, the purpose and goals of the Plan, and revise as needed.
- Performs other responsibilities as assigned by the Session.

### **COMMITTEE MEETINGS**

The Endowment Committee shall keep record of its actions and report such actions to the Session at least annually.

Meetings shall be held quarterly and as otherwise called by the Chairperson or any two Committee members. Three or more shall constitute a quorum, but only if written, mailed or emailed notice of the meeting is duly given, whether a regularly scheduled or a specially called meeting. Date, time, and place of meeting, and purpose of the meeting if a specially called meeting, shall be specified in the notice. Length of notice shall be at least seven days from time of mailing or four days from date of emailing, although notice of any deficiency thereof may be waived in writing.

### **PERPETUITY OF FUND**

The Fund shall be permanent. At no time shall the Fund be borrowed from or used as security.

### **UNRESTRICTED BEQUESTS, ANNUITIES AND GIFTS**

Any bequest, annuity, life insurance, IRA, or other type of planned gift which has not been specifically restricted for a given purpose shall be placed in the Endowment. However, the Session may consider in its sole discretion an exception to this policy in cases where the will or trust document does not specifically require that the Fund receive the gift, and a spouse, child, parent, or the trustee/executor of the estate requests in writing that the gift be used for another specific purpose.

### **ACCEPTANCE AND DISPOSITION OF GIFTS**

See Appendix A, Gift Acceptance Policy.

### **INVESTMENT POLICY FRAMEWORK**

In managing the Endowments, the Endowment Committee shall use faith, care, skill, diligence and prudence, being mindful of its responsibilities as stewards of the Funds for the benefit of the Church and its mission statement, now and for the future. The Fund will be managed using the principles of The Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA is a uniform act that provides guidance on investment decisions and endowment expenditures for nonprofit and charitable organizations. In Iowa, the code was effective July 1, 2008. The specific FPC investment policy is contained in Appendix B.

Investment Policy shall take into consideration:

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- Long-term budget/revenue objectives and anticipated annual cash requirements.
- Investment goals that include liquidity requirements, rates of return, and transfers to operations, if any.
- Prudent levels of risk.
- Allocation across asset classes, including stocks, bonds, other fixed income assets, alternative investments.
- Acceptable costs of asset management.
- Clarity about arms-length relationships and conflicts of interest, consistent with the Model Standards of Practice for the Charitable Gift Planner of the National Association of Charitable Gift Planners (or equivalent). ( Attachment 1)

### **SPENDING AND MANAGEMENT**

See Endowment Spending Policy described in Appendix C.

### **AMENDMENTS TO PLAN**

Except that The Fund shall be permanent, at no time shall the Fund be borrowed from or used as security. This plan may be amended at any time by majority vote of the Session. Any such amendments, however, shall not apply to restrictions placed upon any gifts and which restrictions were approved the Session, such restrictions to be honored at all times.

### **CHURCH CONSOLIDATION, MERGER, OR DISSOLUTION**

If at any time First Presbyterian Church of Cedar Rapids, Iowa should be lawfully merged or consolidated with any other church, all provisions hereof shall be deemed to have been made for and on behalf of such resulting church, which shall be entitled to receive all of the benefits of this Fund, and shall be obligated to administer the same in all respects in accordance with the terms hereof. In the event of dissolution, the Presbytery having jurisdiction, or its successor, shall be entitled to the benefits of the Fund and obligated to administer the Fund in similar manner.