



The Great Oak Endowment Fund St. Catherine's Episcopal Church

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, and so on. The bequest may identify the beneficiary in one of two general ways:

- a. "St. Catherine's Church of the Episcopal Diocese of Atlanta" or some other wording such as, "St. Catherine's Episcopal Church, 571 Holt Road, Marietta, Georgia"
- b. "The Great Oak Endowment Fund of St. Catherine's Episcopal Church" or similar wording.

2. Bequests with "St. Catherine's Episcopal Church" as beneficiary can be of two general types:

- a. "Undesignated," in any amount, 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 Fund. Such transfers, once made, are intended to be held in perpetuity.
- b. "Designated," in which the donor has identified a specific purpose(s) to which the funds should be directed and subject to the minimum established by Policy or the Vestry. The Vestry has ultimate responsibility for acceptance of designated gifts and to determine that, if accepted, 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 Great Oak Endowment Fund ("Fund")) or by direct expenditure of the funds through the treasurer of the parish.

3. 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:

- a. 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.
- b. The Fund Board will advise the Rector and Vestry about any applicable endowment agreements between donors and the Fund that may affect the timing, amount or use of funds to be used in exception to this policy. If possible, the Rector and Fund Board Chairperson will communicate with the donor and/or the donor's representatives about the need to make an exception to the policy prior to making a recommendation.
- c. If the Rector concludes that an exception is appropriate, the Rector and the Fund Board Chairperson will bring a recommendation to the Vestry at the earliest practicable time.

- d. A decision as to whether urgent needs of the Parish require funds to be used from the Fund shall be made by the Vestry in its sole and absolute discretion. It is specifically acknowledged that the procedures for considering an exception to this policy apply to both undesignated and designated funds.

4. Bequests designating the Fund as beneficiary are automatically transferred to the Fund upon receipt. If the bequest was accepted for a designated purpose, then the value of the assets will be applied to establish a designated fund of the Fund, as provided for in a separate policy, and the expendable funds made available for use for that designated purpose only. If the bequest to the Fund is otherwise undesignated, the assets will be directed to that portion of the corpus of the Fund whose expendable funds are unrestricted.

5. 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 appropriate officers of the parish, including the Rector, the senior warden, the finance committee, and the chair of the board of the Fund.

6. A gift of marketable securities will liquidated as soon as possible after receipt. Liquidation of securities will be handled according to the normal practices of the treasurer of the parish. Determination as to whether the liquidation proceeds are to be directed to the Fund or to the treasurer of the parish for direct expenditure will be made following liquidation. The method, timing, agent, etc. for the liquidation of other assets (such as real estate or personal property) will be decided by the Vestry with guidance and recommendations from the Gift Review Committee.

7. All accounts of the Fund shall be handled in accordance with the procedures in effect of the Parish as to its general fund as to maintenance, check writing, dual signatures, authorization limits and accounting.

8. Appropriate acknowledgments of bequests will be given by the Rector and by the Chair of the Board of the Fund in a timely manner.

Adopted by action of the Board of the Great Oak Endowment Fund of St. Catherine's Episcopal Church this 20th day of April, 2009.

The Board of the Great Oak Endowment Fund
St. Catherine's Episcopal Church
571 Holt Road, Marietta, Georgia



The Great Oak Endowment Fund St. Catherine's Episcopal Church

Designated Funds

A separate and designated fund of the Fund may be established for gifts in the amount of \$25,000 or more. These assets are merged with other assets of the Fund for investment purposes, but the identity and designated purpose of each fund is preserved individually. The 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 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 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 Spending Rules (see page 6 of these policies), are limited to the purposes specified in the designation. Unless otherwise restricted by the donor, by the Vestry, or by the Board of the Fund, any available but unspent funds are held in the fund and are available for expenditure in subsequent years, as stipulated in the allocations policy adopted by the Fund. These unspent funds increase the total market value of the Fund and continue to accrue earnings until expended.

The Board may agree to establish an individual fund with a lesser amount than \$25,000, with the assurance of the donor(s) and/or Vestry that the fund will be added to over time and that the \$25,000 minimum level will be reached in a reasonable time.

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Investment Guidelines

The Fund Board will administer the portfolio of the Fund 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 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 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 not invest directly 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.

The Board shall invest Fund assets in funds of institutional money managers such as funds of The Episcopal Church Foundation Investment Management Services. Members of St. Catherine's Episcopal Church are prohibited from acting as money managers for the Fund.

Asset Allocation

Because the securities markets may vary greatly throughout a market cycle, the Board may change the asset mix of the Fund 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 for the portfolio shall be 60% equities and 40% fixed income, with allowable ranges as follows: The target allocation among equity classes (e.g., Large Cap, Small Cap, International, Emerging Markets, 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.

Allocation	Target (%)	Variation (%)
Equities	60	+/- 10
Fixed Income	40	+/- 10

Adjustments to asset allocation will be made to reflect duration and cash flow requirements of designated funds of the Fund, where appropriate.

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, and (iii) growth of The Fund.

For planning purposes, the Board has established a target for total return on the Fund's assets of as consistent with Wilshire Associates expected asset returns for a portfolio that is weighted 40% Core Bond and 60% U.S. Stock.

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. If the Fund corpus exceeds \$1,000,000, the Board shall report to the Vestry at least annually, manager performance compared to benchmarks. It is assumed that the Board will engage a professional investment advisor to assist in such reporting.

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Spending Rules

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

1. Upon written request of the Vestry, and with confirmation by the Board of the Endowment Fund, funds may be transferred to the parish treasurer for those uses that conform to the purposes and restrictions incorporated in the enabling resolution adopted by the Vestry on October 16, 2007, as long as those uses comply with the purposes for which the Parish received its exempt status under the internal revenue code. A copy of the enabling resolution is attached as Appendix A. The Vestry determines the use of funds and, with the exception of funds that have been accepted for a designated purpose, has the power to amend the enabling resolution and change Policies. In confirming the request of the Vestry, the Board will advise the Vestry that the request is consistent with the Policies and prudent with respect to the Investment Guidelines, investment returns and, if applicable, the extraordinary needs of the parish.
2. As set forth in the 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.

It is the goal of the Endowment Board to provide for a reasonable and consistent level of expendable funds to be made available for the purposes established for those funds. At the same time it is committed to providing for the long-term growth of the Endowment Fund, at least at a level commensurate with inflation.

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 5% percent of the market value of the corpus, which value is determined by computing a three-year rolling average, with measures taken at the end of each of the preceding twelve quarters. The market values for this purpose will be taken net of the fees for investment management. All other expenditures, whether in category 1 or 2 above, will be taken from funds available for distribution.

From time to time, the Board of the Fund may decide to recommend distributions that exceed 5% of the market value of the Fund corpus in order to take advantage of an exceptional opportunity consistent with the purpose of the Fund. Such distributions will be subject to prior approval by vote of at least two thirds (2/3) of the Vestry.

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. The annual report to Vestry required under the enabling resolution will include a report on funds available for distribution to publicize their availability and encourage their use for the purposes of the Fund.

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Gift Acceptance Policy

Purpose

This Gift Acceptance Policy will provide guidelines to representatives of St. Catherine's Episcopal Church 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 the St. Catherine's Episcopal Church. 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 St. Catherine's Episcopal Church will be referred to the Gift Review Committee, which, unless otherwise designated by the Vestry, will be comprised of the full Board.

Cash

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

Publicly Traded Stock Securities

1. Readily marketable securities, such as those traded on a stock exchange, can be accepted by St. Catherine's Episcopal Church.
2. For gift acknowledgement purposes, the Fund will report the number of securities received.
3. For gift accounting purposes, the value of the gift of securities is the amount received following sale of the securities, taking into account transaction costs.
4. A gift of marketable securities to St. Catherine's Episcopal Church will be liquidated immediately. If the funds are to be directed to the Fund, the liquidation proceeds will be given to the Fund's investment manager.

Publicly Traded Fixed Income Securities

1. Readily marketable securities, such as those traded on an exchange, can be accepted by St. Catherine's Episcopal Church.
2. For gift crediting and accounting purposes, the value of the gift is the amount received following sale of the securities, taking into account transaction costs.

A gift of marketable fixed income securities to St. Catherine's Episcopal Church will be liquidated immediately.

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 review risks associated with receiving the securities and 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 and approved by the Vestry prior to acceptance.
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. Catherine's Episcopal Church reserves the right to require an environmental assessment of any potential real estate gift.
6. If the property to be transferred to St. Catherine's Episcopal Church is subject to a formal offer or contract for purchase it will not be accepted without review by the Gift Review Committee and the Vestry.
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 Vestry will accept a life insurance policy as a gift only if St. Catherine's Episcopal Church is named as the owner and beneficiary of 100 percent of the policy.
3. The value for gift crediting and accounting purposes is the policy's cash surrender value.
4. The Board will cooperate with the donor in obtaining a statement of the interpolated terminal reserve or other valuation from the life insurance company for tax purposes.

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. Catherine's Episcopal Church, 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. Catherine's Episcopal Church 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. Catherine's Episcopal Church 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. Catherine's Episcopal Church 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. Catherine's Episcopal Church or its agent shall not act as trustee of a charitable remainder trust.
4. When appropriate, St. Catherine's Episcopal Church 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(s) to review and approve the information which has been provided to you without charge or obligation. This information in no way constitutes tax, accounting or legal advice. Any information relating to a Federal tax issue was not written nor was intended to be used, and cannot be used, for the purpose of (a) avoiding any penalties that may be imposed on you or any other person under the Internal Revenue Code, or (b) promoting, marketing or recommending to another person any transaction or matter addressed in this communication."

6. All information obtained from or about donors/prospects shall be held in the strictest confidence by St. Catherine's Episcopal Church, its staff, volunteers and the Board. The name, amount, or conditions of any gift shall not be published without the express written consent of the donor.
7. St. Catherine's Episcopal Church 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, negatively impact the tax exempt status of the Parish or cause the parish to incur excessive expenses may be declined.

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