



THE BRUTON PARISH  

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CHURCH FOUNDATION, INC.

**August 2009**

# THE BRUTON PARISH CHURCH FOUNDATION, INC.

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## 2009 BOARD OF DIRECTORS ROSTER August 10, 2009

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**Permanent Directors:** The Rev. Ronald P. Jaynes, Interim Rector  
William C. Porter, Jr., Senior Warden  
Jean Van Tol, Parish and Foundation Treasurer  
Stephanie H. King, Chair, Planned Giving Committee

**Appointed Directors:** Channing M. Hall, III, President\*  
William O. Kafes, Secretary\*\*\*  
Margaret Stockton\*\*  
William Libby\*\*\*  
Earl D. White, II, \*\*

**Legal Counsel:** Michele A. W. McKinnon  
McGuire Woods, LLP

\* Term: Expires at the November 2009 Annual Meeting; eligible to serve one additional three-year term

\*\* Term: Expires at the November 2010 Annual Meeting; eligible to serve one additional three year term

\*\*\* Term: Expires at the November 2011 Annual Meeting; eligible to serve one additional three-year term.

### FOUNDATION OFFICERS

President: Channing M. Hall, III

Secretary: William O. Kafes

Treasurer: Jean Van Tol

### FOUNDATION COMMITTEES

Investment and Finance Committee: Mrs. Van Tol (Chair); Mr. Hall, Mr. Kafes,  
Mrs. Stockton

Gift Acceptance Committee: Dr. White, Chair, The Rev. Jaynes, Mr. Porter

Public Relations: Mrs. King, Chair, Mrs. Van Tol, Mr. Libby,

# THE BRUTON PARISH CHURCH FOUNDATION, INC.

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## MISSION STATEMENT

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.

Christians can give to the work of the Church through a variety of gift vehicles, in addition to cash, gifts can be made with securities, life insurance policies, real estate, and other property and through bequests under wills, charitable remainder trusts and other life income gifts, charitable lead trusts, and other trust arrangements.

The Foundation shall enable the abundant life by inviting generosity, and shall encourage, receive, and administer these gifts for the benefit of Bruton Parish Church, 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 Southern Virginia and the mission and ministry of Bruton Parish Church.

The purpose of the Foundation is to enable Bruton Parish Church to more completely fulfill its mission and ministry by developing its ministries beyond what is possible through annual giving. Therefore, distributions from the Foundation to or for the benefit of Bruton Parish Church shall be limited to:

1. Capital needs of Bruton Parish Church.
2. Outreach ministries of, and grants made by, Bruton Parish Church.
3. Program needs of Bruton Parish Church.
4. Special needs, seed money for new ministries, and special one-time projects of Bruton Parish Church.
5. Such other purposes as are specifically designated by donors to the Foundation.

**Adopted by action of the Board of Directors of The Bruton Parish Church Foundation, Inc., on November 10, 2004.**

# THE BRUTON PARISH CHURCH FOUNDATION, INC.

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## ENDOWMENT FUNDS POLICY

An endowment fund may be established for gifts to The Bruton Parish Church Foundation, Inc. (the "Foundation") in the amount of \$25,000 or more. The assets of an endowment fund will be commingled with other assets of the Foundation for investment purposes, but the identity and designated purpose of each endowment fund shall be preserved on an individual fund basis.

An endowment fund shall be established as of the last day of the quarter in which the gift is received. The value of the endowment fund shall be the amount of any cash or the market value of any property as of the date on which the fund is established.

In January of each calendar year, income, realized gains or losses, and unrealized gains or losses shall be allocated annually to each endowment fund based on its market value relative to the total market value of the Foundation's investment assets at the end of the preceding calendar year. New gifts are added and withdrawals are subtracted to arrive at the new value of the endowment fund on the last day of the quarter in which such gift is received or withdrawal is made.

Subject to the terms of any applicable gift agreement, the amounts made available for expenditure, under the formula set forth in the Foundation's Spending Policy, as it may be revised from time to time, may only be expended for the purposes specified in and in accordance with the donor's gift agreement establishing the endowment fund. Unless otherwise restricted by the donor, or by the Board of Directors of the Foundation (the "Board"), any available but unspent amounts shall be held in the endowment fund and will be available for expenditure in subsequent years for the purposes specified in the donor's gift agreement establishing the endowment fund. These unspent amounts shall increase the total market value of the endowment fund and continue to accrue earnings until expended.

The Board, in its sole discretion, may agree to establish an endowment fund funded with an amount less than \$25,000, with the assurance of the donor(s) that additional gifts will be made to the fund over time and the \$25,000 minimum level will be reached in a reasonable time. Until such time as the minimum level is reached, no earnings will be available for expenditure. The portion of the earnings allocated to the endowment fund during that period shall be accrued and become part of the corpus until the \$25,000 minimum funding level is met.

**The Foundation reserves the right to decline any endowment gift that (a) does not further the mission or goals of the Foundation, (b) contravenes any canon, doctrine, or discipline of the Episcopal Church, (c) would cause the Foundation to lose its tax-exempt status, or (d) creates an administrative burden or causes the Foundation to incur excessive expenses.**

**Adopted by action of the Board of Directors of The Bruton Parish Church Foundation, Inc. on November 10, 2004, and amended by action of the Board of Directors on November 4, 2008.**

# THE BRUTON PARISH CHURCH FOUNDATION, INC.

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## GOVERNANCE POLICY

**Directors shall be held to a high standard of integrity and attention to duty. Consequently, non-compliance by a director with any of the following policy guidelines may constitute “cause” for removal as provided in Section 1.4 of the Foundation's Bylaws.**

### **Integrity**

Directors have been selected and appointed based in substantial measure by their reputation for personal integrity. If credible information develops or events occur which materially compromise the director’s reputation, or which may tend to injure the reputation and goodwill of the Foundation, as, for example, arrest or conviction of a serious misdemeanor or felony, cause may arise for removal of such director. Before removal the facts of the situation shall be investigated by a specially appointed committee of the Foundation's Board of Directors consisting of two or more directors. A written report of the investigation and the recommendation of the committee shall be submitted to the Board of Directors for such action as it may deem appropriate. Such investigation and report shall be kept confidential except as may be necessary to remedy any willful misconduct or criminality involving the assets or activities of the Foundation.

### **Meeting Attendance**

**Directors are expected to attend meetings of the Board of Directors or any of its committees regularly. The failure to attend more than three consecutive meetings of the Board of Directors without prior excuse from the President or the President's designee shall constitute grounds for removal under Section 1.4 of the Foundation's Bylaws.**

### **Conflicts of Interest**

**Each director has a duty of loyalty and fairness to the Foundation. All directors shall comply with the provisions of the Foundation's Conflict-of-Interest Policy.**

### **Serious Illness or Disability**

**If a director suffers a serious illness likely to be of a prolonged nature or a disability which will negatively affect such director’s ability to continue to function fully as a director, cause may arise for removal in the interests of maintaining a fully functioning Board. A decision to remove a director for such reason shall, to the extent possible, be based on disinterested medical advice.**

## **Civility**

**Directors are expected to act in a civil manner at all meetings of the Board or its committees to prevent a rancorous and discordant atmosphere from developing. While it shall not be cause for removal merely because a director disagrees with the majority on one or more issues, both the “dissident” director and the majority are expected to continue to treat each other in a civil and respectful manner so that all sides of any issue may be carefully considered. A persistent disregard of this principle may constitute cause for removal.**

## **Members In Good Standing of Bruton Parish Church**

**A director shall be a member in good standing of Bruton Parish Church. Lapse as a member in good standing of Bruton Parish Church shall constitute grounds for removal.**

## **Other Matters**

It is impossible to delineate or provide detailed guidelines covering all the conceivable situations which may give rise to grounds for a director's removal. However, it is the purpose and intent of Section 1.4 of the Foundation's Bylaws to accord to the Board of Directors broad discretion in determining whether a director should be removed in a given situation, whether with or without cause. In exercising such discretion, the Board shall be guided by the need of the Foundation to insist upon and enforce a high standard of personal integrity and attention to the duties of a director by each person serving as a director. Before resorting to the remedy of removal the Board shall, to the extent appropriate, attempt to mediate or correct such situation. No person who has been so removed shall have any recourse against the Foundation or any member of the Board supporting such removal.

**Adopted by action of the Board of Directors of The Bruton Parish Church Foundation, Inc. on November 10, 2004.**

# THE BRUTON PARISH CHURCH FOUNDATION, INC.

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## CONFLICT OF INTEREST POLICY

### DUTY OF DIRECTORS, OFFICERS AND EMPLOYEES

The directors, officers, and employees of the Foundation shall exercise the utmost good faith in all transactions touching upon their duties to the Foundation and its property. In their dealings with and on behalf of the Foundation, they are held to a strict rule of honest and sincere dealing between themselves and the Foundation. They shall not use their positions, or knowledge gained therefrom, so that a conflict might arise between the Foundation's interest and that of the individual.

### DEFINITION OF "INTEREST"

For purposes of this policy, a person shall be deemed to have an "interest" in a contract, transaction, or other arrangement, or in the same or related business as the Foundation, if he or she is the party (or one of the parties) contracting or dealing with the Foundation, or is a director, trustee, or officer of, or general partner of, or has a material financial or influential interest in, the entity contracting or dealing with the Foundation. Relationships and dealings of the Foundation with corporations, partnerships, joint ventures, or other entities owned, controlled, or managed by the Foundation shall not constitute an "interest" or conflict of interest under this policy.

### FULL DISCLOSURE

Any director, officer, or employee having an interest in a contract, transaction, or arrangement presented to the Board of the Foundation or a committee thereof for consideration, authorization, approval, discussion, or ratification, shall make a prompt, full, and frank disclosure of his or her interest to the Board of the Foundation (in the case of directors) or committee at the first meeting of the Board or committee in each year, or before its action on such contract, transaction, or arrangement. Such disclosure shall include any relevant and material facts known to such person that might reasonably be construed to be adverse to or potentially adverse to the Foundation's interest.

## Standards and Procedures

(a) The Board (in the case of disclosures by directors) or committee to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists, or can reasonably be construed to exist.

(b) The Board of the Foundation or committee may request the person to provide factual information regarding the potential or actual conflict of interest and such proposed contract, transaction, or arrangement.

(c) If deemed appropriate, the Board of the Foundation or committee may appoint a non-interested person or committee or subcommittee, respectively, to investigate alternatives to such proposed contract, transaction, or arrangement.

(d) If a conflict is deemed to exist, such person having the conflict shall not participate or attend, vote on, or use his or her personal influence in connection with, the discussions, deliberations, and vote with respect to, such contract, transaction, arrangement, or related matters affecting the Foundation.

(e) At any meeting of the Board of the Foundation where such contract, transaction, or arrangement is under discussion or is being voted upon, a quorum is present if a majority of directors who have no direct or indirect personal interest in such contract, transaction, or arrangement participate in the vote held to authorize, approve, or ratify such contract, transaction, or arrangement.

(f) In order to approve such contract, transaction, or arrangement, the Board of the Foundation must first find, by majority vote without counting the vote of the interested director or directors, that:

(i) such proposed contract, transaction, or arrangement is in the Foundation's best interest and for its own benefit; and

(ii) such proposed contract, transaction, or arrangement is fair and reasonable to the Foundation.

(g) The minutes of the meeting shall reflect the disclosure made, the persons present for the discussion and vote, the content of the discussion, the vote thereon (including any roll call) and, where applicable, the abstention from voting and participation, and that a quorum was present. The Secretary of the Foundation shall keep minutes of the discussions and deliberations as part of the minutes of the Foundation.

#### **CORRECTIVE AND DISCIPLINARY ACTION.**

The violation of this Conflict of Interest Policy is a serious matter and may constitute "cause" for removal or termination of a director, officer, or employee.

**Adopted by the Board of Directors of The Bruton Parish Church Foundation, Inc. on November 10, 2004.**

# THE BRUTON PARISH CHURCH FOUNDATION, INC.

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## GIFT ACCEPTANCE POLICY

### *PURPOSE*

This gift acceptance policy is intended to provide guidelines to representatives and employees of The Bruton Parish Church Foundation, Inc. (the "Foundation"), who may be involved in the acceptance of gifts to the Foundation, outside advisors who may assist in the gift process, and prospective donors who wish to make gifts to the Foundation. This policy is intended only as a guide and allows for flexibility as may be required on a case-by-case basis. The gift review process outlined in this policy, however, is intended to be adhered to closely.

### *GENERAL*

The Foundation shall accept only those gifts, the transfer and ownership of which are not inconsistent with any applicable laws or public policy. The Foundation shall accept only those gifts that will enable the Foundation to further its mission, goals, purposes, and services. The Foundation reserves the right to decline any gift that (a) does not further the mission or goals of the Foundation, (b) contravenes any canon, doctrine, or discipline of the Episcopal Church, (c) would cause the Foundation to lose its tax-exempt status, or (d) creates an administrative burden or causes the Foundation to incur excessive expenses.

### *CASH AND SECURITIES*

Any officer, director, or employee of the Foundation shall be authorized to accept on behalf of the Foundation any unrestricted gift of cash or marketable securities.

### *TANGIBLE PERSONAL PROPERTY*

Gifts of items of tangible personal property such as furniture, works of art, and office equipment may be accepted by any officer on behalf of the Foundation. Gifts of items such as automobiles and boats are discouraged and may be accepted only with the prior approval of the Gift Review Committee.

### *REAL ESTATE*

Gifts of real estate may be accepted by any officer but only with the prior approval of the Gift Review Committee.

### *LIFE INSURANCE*

Gifts of life insurance policies may be accepted by any officer but prior approval of the Gift Review Committee shall be required if future premium payments are required to maintain the policy (unless accompanied by a pledge from the donor to contribute the necessary funds to cover the premiums).

### *IN-KIND GIFTS*

In-kind gifts through the performance of services or bargain sales to the Foundation may be accepted by any officer or employee of the Foundation if the service or property involved is of the type that would customarily be purchased by the Foundation in the normal course of its activities.

### *OTHER PROPERTIES*

Gifts of other forms of property, including nonmarketable securities and partnership interests, are not encouraged and require prior approval of the Board of Directors, upon recommendation of the Gift Review Committee, before being accepted by any officer.

### *DEFERRED GIFTS*

Deferred gifts through wills, charitable remainder trusts, charitable lead trusts, and other techniques are encouraged, but gift annuities, bargain sales, and other arrangements involving a financial commitment on the part of the Foundation require prior approval of the Board of Directors, upon recommendation of the Gift Review Committee, before being accepted by any officer. Neither the Foundation nor its officers and directors shall serve as executor or trustee for a donor's estate or any trust established by the donor. A member of the Foundation or parish staff serving as personal representative or trustee for a member of the parish does so in a personal capacity and not as an agent of the Foundation or parish.

### *ILLUSTRATIONS AND FORMS*

When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift documents, materials, illustrations, letters, or other correspondence, the following disclaimer shall be included:

***We strongly urge that you consult with your attorney, financial, and/or tax advisor to review this information provided to 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.***

### *CONDITIONS, ETC.*

The Foundation encourages donors to consider unrestricted gifts to the Foundation. Gifts that are accompanied by conditions, restrictions, stipulations, encumbrances, debt, or other factors which warrant careful review prior to acceptance shall be accepted only by an officer and only with the prior approval of the Board of Directors, upon recommendation of the Gift Review Committee. The Foundation shall also encourage donors to include language in any gift agreement associated with a restricted gift that allows the Foundation to direct that the gift be used for other purposes as the Foundation deems most consistent with the purposes of the donor under the gift agreement in the unlikely event that at some future time it becomes impossible or impracticable for all or part of the gift to be used for the specific purpose directed by the donor. The Foundation reserves the right to decline any restricted bequest or gift that does not allow for the Foundation to alter the use of the gift in the event of future changed circumstances.

### *CONFIDENTIALITY*

All financial information obtained from or about donors and prospective donors shall be held in the strictest confidence by the Foundation and its directors, officers, staff, and volunteers. Neither the name of the donor, the amount, nor the conditions of any gift shall be published without the express approval of the donor and/or beneficiary.

### *GIFT REVIEW COMMITTEE EVALUATION PROCESS*

The Foundation's development personnel shall be responsible for providing Gift Review Committee members with all available relevant documentation regarding any proposed gift requiring their prior approval. Such documentation may include, but shall not be limited to, the following: (a) a completed title examination in the case of real estate; (b) a qualified appraisal (as defined by the Internal Revenue Service) or other available appraisal in the case of real estate, tangible personal property, nonmarketable securities, or other assets for which no market value is readily ascertainable; (c) a preliminary environmental review which may be followed by an environmental engineering study if so indicated in the case of real estate; and (d) an estimate of the likely sales price and the time it may take to sell or otherwise dispose of the property if it is not to be retained by the Foundation for its use in carrying out its charitable purposes.

### *RECEIPTS AND SUBSTANTIATION*

The Foundation's development personnel shall see that prompt acknowledgements, thank you letters, and other documentation are sent to all donors in such form and containing such information as may be required or suggested from time to time by the federal income tax laws, by the Internal Revenue Service, and the Foundation's auditors.

*PROFESSIONAL ADVICE*

The Foundation shall seek qualified professional advice and counsel in connection with the exploration and execution of all planned gift agreements. The Foundation recognizes the right of fair and just remuneration for professional services.

**Adopted by action of the Board of Directors of The Bruton Parish Church Foundation, Inc., on November 10, 2004.**

# THE BRUTON PARISH CHURCH FOUNDATION, INC.

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## INVESTMENT POLICY

### *OVERVIEW*

The Bruton Parish Church Foundation, Inc. (the "Foundation"), a Virginia nonstock corporation, is the fiduciary of all assets given to the Foundation by donors who wish to support Bruton Parish Church. It is the policy of the Foundation to ensure through prudent and sound management the preservation, safety, and liquidity of the assets entrusted to the Foundation.

### *RELATIONSHIP OF BOARD AND INVESTMENT COMMITTEE*

The Board of Directors of the Foundation establishes the investment policy of the Foundation's assets. The Board of Directors has created an Investment Committee to assist the Board in carrying out its responsibilities. The Board has assigned the Investment Committee the task of advising the Board on these matters: (1) formulating and recommending the objectives of the investment of the Foundation's funds; (2) recommending the employment of appropriate investment managers to carry out the investment policies and objectives; and (3) monitoring the performance of the investment managers.

### *REPORTING*

The Foundation shall provide to the Vestry of Bruton Parish Church a quarterly report, which shall include the value of the Foundation's assets, any material change in the asset allocation strategy, and the investment performance. The report shall reflect compliance with the objectives, policies and guidelines set forth herein.

### *GENERAL POLICY*

The Foundation's investment policy shall include: (1) the types of investment vehicles that are appropriate for the Foundation's assets; (2) the appropriate range of asset allocations for each investment vehicle; (3) the number of investment managers and the role of each manager; (4) appropriate manager qualifications; and (5) the appropriate investment styles that each manager will bring to the investment process.

The Investment Committee will monitor and evaluate on an ongoing basis the investment managers in determining whether performance goals are being met. The Investment Committee will also suggest changes to the Board of Directors if the Investment Committee believes it appropriate. An external auditor will conduct an examination of investments, and issue a report to the Board of Directors of the Foundation and the Investment Committee annually.

## *INVESTMENT OBJECTIVES*

The following guidelines are proposed for the purpose of achieving for the Foundation the best available financial management. The overall goal of the investment policy is provide at least the same level of support from the endowment to future generations that the current students enjoy.

Specifically, the Foundation's investment policy shall be as follows.

1. The primary investment objective is to preserve the purchasing power of the funds managed and obtain a competitive rate of return relative to the risk inherent in investing in fixed income securities and equities. In setting objectives and evaluating performance, the Investment Committee shall utilize as the appropriate measure the total return of the investments.
2. Prudent investment is required to accomplish the Foundation's objectives. In making investment recommendations, the Investment Committee shall consider: (a) diversification by types of securities including cash equivalents, fixed income securities and equity securities; (b) proper diversification within each of the three categories of securities; and (c) an emphasis on quality and marketable securities.
3. The Investment Committee shall review quarterly the investment performance of the total portfolio and individual performance of the investment managers. The Investment Committee shall review the Investment Policy at least annually.
4. The Investment Committee will establish and review the allocation objectives at least annually. Excluding real property, the asset allocation shall be: (a) equity-50% to 70%; and (b) fixed income-30% to 50%.
5. 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 Investment Committee, in consultation with the investment manager(s) to reflect an appropriate response to current market conditions.
6. The Foundation should consider investing in only those parcels of real property beneficial to the operation of Bruton Parish Church and real property given to the Foundation by donors.

## *PERFORMANCE EVALUATION STANDARDS*

To evaluate the effectiveness of the investment managers, the Investment Committee shall review the investment performance of the investment managers quarterly against the guidelines described below. Comparison with these standards may not be favorable in any single quarter of the year. It is, however, expected that the comparison will be favorable over a full market cycle, or if shorter, a three-year period. In this context, the analysis of performance should always be made within the framework of the prevailing investment environment and the investment manager's particular investment style.

The investment performance of the Foundation's assets and managers will be measured against the following standards.

## Total Fund

The total fund performance will be compared with a "policy index" composed of 70% of the S&P 500, 20% of the Lehman Brothers Kuhn Loeb Government/Corporate Bond Index, and 10% of the 90-day U.S. Treasury Bill yield. In addition, the fund will be compared with other indices which deal with similar endowment holdings.

## Individual Managers

### Equity Portion

The performance of the equity investments will be measured against the following standards:

- the Standard & Poor's 500 Stock Index;
- the average return achieved for other accounts managed by other investment managers;
- the Dow Jones Industrial Average;
- the Indata Endowment Funds-Equity Median Return;
- the Russell 1000 Growth Index; and
- the Consumer Price Index.

### Trading and Execution Guidelines - Common Stock

Trading activity in conjunction with market timing is the investment manager's responsibility. There are no restrictions on portfolio turnover and no preference for long or short term holding periods.

### Fixed Income

The performance of the fixed income portion of the portfolio will be evaluated using the following standards:

- the Lehman Brothers Kuhn Loeb Government/Corporate Bond Index;
- the average return achieved for other accounts managed by other investment managers;
- the Indata Endowment Funds-Fixed Income Median Return; and
- the Consumer Price Index.

### Fixed Income Guidelines

Allowable investments include domestic and Eurodollar fixed income instruments (including convertible debentures) where the parent company carries an investment grade rating as determined by Moody's and Standard & Poor's. The average quality of the fixed income portion shall be AA or higher as determined by Moody's and Standard & Poor's. Bonds of BAA shall be no more than 20 percent of the total dollar amount of the fixed income portion.

### Cash Equivalents

The performance of the cash equivalent portion of the portfolio will be measured against the following standards:

- the Consumer Price Index; and
- the 90-day Treasury Bill yield.

### Other Considerations

In its assessment of individual managers, the Board of Directors and the Investment Committee will also consider such factors as:

- employee turnover;
- a changing emphasis or investment strategy by the investment manager; and
- growth of assets and accounts under management in its assessment of each organization.

**Adopted by action of the Board of Directors of The Bruton Parish Church Foundation, Inc., on November 10, 2004.**

# THE BRUTON PARISH CHURCH FOUNDATION, INC.

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## SPENDING POLICY

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

1. Upon written request of the Vestry of Bruton Parish Church, and upon the approval of the Board of Directors (the “Board”) of The Bruton Parish Church Foundation, Inc. (the “Foundation”), funds may be transferred to the Treasurer of Bruton Parish Church for those uses which the Board in its sole discretion determines conform to the purposes and restrictions incorporated in the Mission Statement of the Foundation.
2. The Board may obligate monies for general expenses incident to the management and operation of the Foundation.

**It is the goal of the Board to provide for a reasonable and consistent level of expendable funds to be made available for the purposes of the Foundation. At the same time, the Board wishes to preserve its endowment and other assets to permit it to carry out its charitable, religious, and educational purposes now and in perpetuity.**

**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 fiscal year shall be determined annually by the Board at its annual meeting in October of every year but shall not be less than three percent (3%) or more than five percent (5%) of the market value of the corpus of the Foundation’s assets, which value shall be determined by computing a three-year rolling average using values as of the end of each of the preceding 12 quarters (or historic quarterly average if less than 12 quarters). The market values for this purpose shall be taken net of investment management fees. All expenditures described above shall be made from funds available for distribution under the Spending Policy.**

No portion of the principal amount of the Foundation’s asset shall be “borrowed,” including any “temporary usage,” by Bruton Parish Church.

Any unexpended funds from those available distribution in a given year will be accrued and continue to be available for expenditure in subsequent years, unless otherwise designated by action of the Board.

**Adopted by action of the Board of Directors of The Bruton Parish Church Foundation Inc. on November 10, 2004.**