

PERMANENT FUNDS POLICY
FOR
BROADWAY CHRISTIAN CHURCH
Columbia, Missouri

Approved by the Board June 15, 1998

(Amended and approved by the Board on August 19, 2002)

(Amended and approved by the Board on December 13, 2004)

(Amended and approved by the Board on August 16, 2016)

- A. Broadway Christian Church (BCC) shall have Permanent Funds (PFs) with a purpose to provide funding to further expand its ministry in the name of Jesus Christ.
- B. The PFs shall permit BCC to provide funding for ministry over and above the annual budget. No item already included in the budget will be eligible.
- C. All assets received by the PFs shall be considered permanent.
- D. Gifts to a PF:
 1. *Gifts to a designated fund*: the established funds are:
 - Mission and Outreach Ministries
 - Education
 - Property
 - Worship and Liturgical Arts
 2. If a prospective donor wishes to set up a *named permanent fund* through and for the benefit of Broadway Christian Church, the Permanent Funds Trustees will work with them to establish the fund to best meet the donor's expectations and the mission of the church, subject to Board approval. The purpose of a named permanent fund would need to fit into one of the four categories already established above.
 - a. Since there is no single minimum that will adequately support all purposes, it should be understood that a named permanent fund will be invested in the same manner as the general permanent funds and distributions made in accordance with this policy. Therefore donations of an amount sufficient to provide an adequate distribution are required. A minimum of \$25,000 is recommended for a named permanent fund. For example, it is estimated that a donation of \$25,000 would provide a distribution of approximately \$1200 after a full year of investment.
 - b. A named permanent fund would not have to be donated all at one time but could be contributed over a period not to exceed five years. If at the end of five years, the named fund has not reached the agreed upon minimum of \$25,000, the total amount then held would become part of the general designated fund for that purpose.
 - c. Until the agreed upon minimum has been achieved, proceeds from the fund will be added to the designated fund.

3. *Gifts not specifying a designated fund:* any undesignated gift to BCC shall be distributed equally among the established designated funds.
4. If a gift is undesignated, the Trustees shall be allowed to deposit into the Designated Funds. If the gift is a named PF, acceptance of the gift is contingent upon the gift's consistency with the priorities and capabilities of the congregation as determined by a vote of the Church Board.
5. All gifts and bequests received in any form other than cash may be converted to cash at fair market value. Any non-cash gifts and bequests must be approved by the Trustees. The timing of conversion of any non-cash gifts shall be subject to approval of Trustees.

E. Management of Assets and Reporting Requirements:

1. The PFs shall be owned directly by the BCC and supervised by the Trustees.
2. The Trustees shall be composed of 5 members of BCC appointed in accordance with BCC by-laws; the term of service shall be 1-3 years; the terms shall be staggered so that no more than 2 terms expire in a given year; multiple terms may be served up to six (6) consecutive years; terms of service shall start on July 1 and end on June 30; prior to July 1 a Chair of the trustees shall be appointed for a period of 1 year from among the 5 Trustees by the Trustees; the Trustees shall meet semi-annually and additionally as determined by the Chair of the Trustees.
3. The Trustees shall:
 - a. Recommend a financial institution to manage the PF's assets; the recommended financial institution must be approved by a vote of the Church Board.
 - b. Monitor the approved financial institution in regard to:
 - Decisions related to social responsibility
 - Financial performance of the assets
 - Financial health of the financial institution
 - c. Recommend distributions from the PFs per section F
 - d. Submit an annual written report to the Church Board detailing all new gifts received, income received, the market value of the PFs, and the value and recipients of all distributions; the names of all donors to a PF and the names of person memorialized, shall be included in the annual report unless anonymity is requested; all requests for anonymity shall be honored.
 - e. Prepare and disseminate information which describes the PFs and describes how to make a gift to a PF; publicize the PFs; coordinate seminars on "planned giving"; facilitate

opportunities for giving to a PF; promote activities which will encourage growth of the PFs.

- f. Recommend a philosophy of asset management to protect the market value of and encourage the prudent growth of the principal; the asset management philosophy must be approved by a vote of the Church Board.
 - g. Prepare and disseminate PF-related activities with the Church Board.
 - h. Faithfully consider making provisions in their own financial planning to provide a gift to the permanent fund of Broadway Christian Church.
- F. Distributions:
- 1. Up to five (5) percent of the market value of each PF as of December 31st of the prior year may be distributed during the fiscal year.
 - 2. The market value of the PFs and the amount of annual distributions shall be reviewed periodically by the Trustees to ascertain that the buying power of the PFs is not being deflated.
 - 3. Distributions from each PF shall be allocated to the corresponding church ministry area based on individual area's approved written request specific to that area sent to the PFs committee. Requests to be submitted by April 30th and October 31st. Requests will be reviewed and acted upon within 30 days of those dates by the PFs committee.
 - 4. Distributions shall only be made upon the recommendation of the Trustees and after approval by a vote of the Church Board.

G. Amending Procedures:

This policy may be amended when presented to the Church Board and approved by a majority vote at the successive Church Board meeting. Published written notice of proposed changes must be presented to the Board Members at least two weeks prior to the first meeting.

H. Termination of the PFs

In the event Broadway Christian Church should terminate its ministry, the assets of each PF shall be transferred to the Christian Church of Mid-America (Disciples of Christ) or its successor with instructions concerning future distributions.

INFORMATIONAL NOTES:

- A. This policy replaces the current Permanent Funds Policy amended and approved by the Board on December 13, 2004.
- B. Types of gifts may include but are not limited to:

1. Outright gifts made during a person's lifetime.
2. *Deferred gifts such as charitable remainder trusts or annuities:* gifts of this nature will be managed by a financial institution qualified to handle the technical requirements and to make distributions to beneficiaries; residual assets from such a gift shall be added to the principal of the PFs.
3. Bequests which name either BCC or one or more PFs as beneficiary.
4. Gifts may include stocks, bonds, real estate, tangible property and cash.