

St. Philip's Episcopal Church
Vestry Meeting
September 21, 2021
Minutes

Present: Dana Richardson, *Sr. Warden*, Dave Ham, *Jr. Warden*, Debbie Evans, Bill Bittenbender, Bob Wright, Holly Meiners, Steve Russell, Deborah Jordan, Liz Halbert, Rich Alt, Fr. Eric Mills, *Rector*

Absent: Tom Griffin

Guest: Lorraine Beamer.

Ex Officio: Bob Fuchs, *Treasurer*, Margaret Bearden, *Clerk*

Opening Prayer. Fr. Eric opened the meeting with a prayer at 4:00 pm in the Parish Hall.

Minutes. The July minutes had been approved via email.

Rector. Fr. Eric discussed plans for voting at the upcoming Annual Meeting in December. He suggested that voting be conducted as it was last year, utilizing an online system (“Doodle”). This would allow communicants to vote by cell phone or computer the day of the meeting. The use of this system would also provide an opportunity to determine eligibility of the voters to participate in the election of new vestry members. A link would be sent by email to all eligible parishioners to use in voting. Additional voting methods for those unable to vote through this online system would be allowed (e.g., telephone voting through the church office.) **A motion was made by Liz Halbert to employ this system, as well as additional methods. After a second and further discussion, the motion was approved.**

Fr. Eric announced that the Pastoral Care Ministry Board had named Janet Fox as its Deputy Chair. To confirm this appointment, **Bill Bittenbender proposed a motion to accept Janet as Deputy Chair of the Pastoral Care Board, it was seconded by Deborah Jordan and approved.** In addition, Bob Fuchs has agreed to be Deputy Chair of the Finance & Facilities Board. **Deborah Jordan moved to accept Bob as Deputy Chair, Bill Bittenbender seconded the motion, and it was approved.**

At the “Theology Uncorked” event last Wednesday, twenty-one were in attendance, including one from Generations Church. Discussion was lively. Thirteen attended the Discovery Class this past Sunday.

There was discussion of the three main areas of Strategic Planning. Three committees were established to study the following areas of interest: 1) attracting young families (Steve Russell and Mother Lisa Erdeljon); 2) establishing neighborhood groups (Dana Richardson and Holly Meiners); and 3) promot-

ing community awareness (Dave Ham and Bob Wright.) It was noted that Lorraine Beamer is the internal communication contact, and Janet Fox is the contact for communication externally. Inputs for the new monthly newsletter must be submitted by the 25th of the month.

Fr. Eric again emphasized that Ministry Boards should provide a representative at each monthly joint Ministry Board meeting.

Treasurer's Report. (Attached as addendum.) Bob Fuchs noted that revenues in August were approximately \$6,700 less than expenses. Year-to-date total revenues are approximately \$59,000 greater than expenses, as a result of projects that are under budget and identified offerings continuing stronger than originally budgeted. Due to the delay in building of the Fellowship Hall, our new larger mortgage payment will be delayed until 2022. A very good response to the parish letter regarding the capital campaign needs resulted in 39 parishioners pledging \$60,000 in additional commitments. Currently, the new mortgage is projected to be \$806,000, with further capital contributions lowering that amount. At a non-standard meeting of the Finance and Facilities Board earlier today, a \$680,000 budget was proposed and will be sent to the Vestry for review and comment. **Bill Bittenbender moved to receive the Treasurer's report, the motion was seconded by Dave Ham, and approved.**

Building Committee Report. (Attached as addendum) Bill Bittenbender discussed the status of the land swap with the City of Southport. The swap includes two pieces of land (491 square feet each) on either end of the Chapel of the Cross and Parish Hall. The proposed swap will now go before the Planning Board instead of the City Council, as had been reported last month. Bill noted that Covid illnesses had slowed progress on the framing of the new construction, and that Hardie plank was in short supply and other products were being sought.

Nominating Committee. (Attached as addendum) Debbie Evans reported that the committee had not received any self-nominations for Vestry. October 11 is the deadline for nominations and biographies of candidates and November 12 is the deadline for nominations "from the floor." Nominations will not be accepted at the Annual Meeting, as it is necessary to vet qualifications in advance. Candidates and their bios will be published in the monthly newsletter.

Senior Warden Report. Dana noted that the Endowment policy conditionally approved by the Vestry is now fully approved after edits, and we can proceed with adoption. A donor legal agreement document is still needed. The approved Endowment Policy is attached as an addendum.

The Safety and Security Committee is now actively working with the Building Committee to develop a system to control access to our buildings. It was noted again this month that an RFP for repairing the main church doors, which are not closing properly, should move forward.

Dana noted that a policy review process has been established for the Vestry to use when future policies are proposed. Potential policies will first go to the Executive Committee for review to determine need, achievability, and impact on other policies.

Finance & Facilities Board has prepared a preliminary budget earlier than expected, and an extra Vestry session will be called to discuss the budget on October 5 at 5:00 pm. During tonight's discussion, it was learned that a full independent audit would not be required until after 2022, and that we could continue to use the diocesan auditor previously employed.

Dana announced that our chapel was used in a Netflix film last week, and that we should be receiving a fee of \$3,000.

With regard to the Bylaw changes from earlier this year, the bishop is doing a review for the diocese. Those revised Bylaws will be included in the newsletter at the end of this month and will be voted on at the Annual Meeting.

Dana noted that Rick Pearce was selected by the F&F Board as its insurance liaison. Dana is preparing a draft of the job description for this position.

Junior Warden. (Report attached as addendum.) Dave Ham noted that Bluegreen Carolina had begun installation of sod for the Landscape Beautification Project. A workday for spreading mulch is planned for this Saturday. Kelly Brooks has been selected by Urban for the new Fellowship Hall landscaping.

VPODS are now being identified during services and will be available for any questions after services.

Chaplains and Committees. (Reports attached as addenda.)

Action Items and Review.

- Executive Committee will address prioritizing requests for use of new Fellowship Hall **[Draft policy has been forwarded to F&F Ministry Board for completion]**
- By-Laws Revision at Diocese for Bishop's Review **[Action Pending]**
 - Revised Bylaws will be published in the end-of -the-month E-news to provide sufficient time for parish review prior to the Annual Meeting.

Endowment Policy has been fine-tuned by *ad hoc* committee agreed to by F&F Endowment Manager and MB Chair **[Action Complete]**

- Facilities Use Policy to be sent to F&F Ministry Board for assignment of fees and edits as needed **[Action Pending]**
- Vestry nominations **[Action Pending]**
- Replacement for Ruth Smith as Outreach Chairperson
 - Bob Fuchs is interim MB Chair **[Interim Action Complete]**

- Replacements for Stewardship Committee Chairperson and committee members [**Action Pending**]
- Request that all Ministry Board Chairs identify deputies for their MB Chaplains [**MB Chaplains – Action Pending**]
- Publish December 5, 2021, as the date for the Annual Meeting. Notice to be published no later than the last week of September. [**Action Complete**].
- Rules for voting are to be published with the date notification—Nominating Committee to report rules options to the Vestry by September Vestry meeting. [**Action-Voting process to be published in September Newsletter**]

Closing and Prayer. Fr. Eric offered the closing prayer, and the meeting was adjourned at 5.55 pm.

Respectfully submitted,

Margaret Bearden, *Clerk*

REPORTS

Treasurer's Report to Vestry September 21, 2021

2022 operating budget planning is in progress.

Operating Budget	2021 FY Budget	2021 YTD Actual	2021 YTD Budget	2021 YTD Variance	August Actual	July Actual	Monthly Change
Revenues							
Pledges	581,157	393,763	387,438	6,325	37,677	34,156	3,521
Flower Revenue	8,025	3,900	5,350	-1,450	450	150	300
Identified Offerings	41,208	45,258	27,472	17,786	6,923	4,210	2,713
Loose Plate	7,500	2,357	5,000	-2,644	768	664	104
Parish Hall Rental	600	475	400	75	75	75	0
Miscellaneous Receipts	15,000	18,542	10,000	8,542	2,351	4,106	-1,755
Total Revenues	653,490	464,294	435,660	28,634	48,244	43,361	4,882
Expenses							
Parish Staff	433,349	265,040	279,503	14,463	31,986	31,986	0
Administration	35,316	21,898	23,544	1,646	2,404	3,447	1,043
Buildings & Grounds	87,596	58,517	47,060	-11,457	13,085	3,738	-9,347
Vestry	65,060	42,569	44,540	1,971	5,130	5,130	0
Faith Formation	1,700	1,280	1,450	170	0	1,000	1,000
Outreach	7,050	5,550	5,550	0	0	2,000	2,000
Parish Life	4,924	1,827	3,391	1,564	157	426	269
Pastoral Care	1,080	732	720	-12	350	25	-325
Worship	16,894	7,751	11,365	3,614	1,856	1,370	-486
Total Expenses	652,969	405,164	417,123	11,959	54,967	49,122	-5,845
Net Total	521	59,130	18,537	40,594	-6,723	-5,760	-963

Comments:

August revenues were \$6,723 less than expenses and YTD revenues are \$59,130 greater than expenses.

Total Revenues were \$12,046 underbudget in August and are \$28,634 ahead of budget year-to-date.

Pledge collections were \$16,134 less than budget in August but remain \$6,325 ahead of budget year-to-date. A major driver is that people have paid their full-year pledge early. While this is good now, it means that pledge collections will be under budget in future months unless people contribute more than they pledged.

Identified Offerings were \$3,107 over budget in August and are \$17,786 over budget year-to-date. A major driver is donations from many new members.

\$13,850 in donations have been received for several projects, which offset unbudgeted expenses in Buildings & Grounds.

Total Expenses were \$3,108 over budget in August and are \$11,959 under budget year-to-date.

Medical insurance payments of \$4,339 and Property insurance payments of \$3,499 were December 2020 expenses paid in January.

The Administrative Assistant position is not filled reducing Parish Staff expenses by \$5,492 year-to-date.

Computers Network & Web is \$1,204 over budget for live stream equipment paid in February, which was not in budget; it was approved to be spent in 2020.

Budgeted monthly mortgage payments are not being made because Fellowship Hall construction is running later than planned. We continue to pay rent on the temporary office.

\$12,116 was spent on several unbudgeted Buildings & Grounds projects, which are offset by donations mentioned above.

Diocesan Convention is \$2,000 under budget because nothing was spent in January.

Project Costs		Project Funds	Total	Current	at 01/15/2022
Construction Cost		Pledges	1,460,155		
Parish Hall/Admin	2,029,850	Collected		1,184,931	1,184,931
Architectural Services		Outstanding		275,224	
Construction Supervision	20,500	Other Funds	366,149	366,149	366,149
Other Costs		Mortgage	835,000	0	806,303
Furniture & Fixtures	37,500	Total Funds	2,661,304	1,551,080	2,357,382
Contingency 5%	101,500	Total Spent	2,357,382	742,921	2,357,382
Misc.	6,173	Available Funds	303,922	808,158	

Total Construction Cost	2,195,523
Actual Construction Spending	581,062
Remaining Construction Spending	1,614,461
Pre&Non-Construction Spending	161,859
Total Project Costs	2,357,382
Total Spent to Date	742,921

Comments:

The planned construction completion date is January 2022.
 \$1,184,931 in Capital pledges has been collected, which is 81% of the total pledged amount.
 139 out of 204 pledgers are fully paid. 9 other pledgers are on schedule.
 Overall, \$275,224 of total pledges remain unpaid. Pledges for 2018 through August 2021 are under paid by \$131,160.
 Twelve pledgers have moved, left the Church, or passed away, leaving a shortfall of \$44,988.
 37 parishioners responded to the capital request letter. \$58,610 in new and additional pledges were received in addition to some who are accelerating their pledge payments. Thank you to all.

Respectfully submitted,
 Bob Fuchs
 Treasurer

Junior Warden Report:

Campus Beautification Project – BlueGreen Carolinas has begun work on this project effective 9/20/21. Due to limitations with St Augustine grass delivery, project coordinators have decided to use Empire Zoysia for the entire project. This will mitigate some risks of damage caused by insects and fungi and will provide a conformal look to the areas planted.

Hopefully the sod installation will be complete on 9/24/21 but will be subject to changes in weather. Mulch and labyrinth sand is scheduled to be installed by a group of volunteers on 9/25/21 dependent on weather.

As previously stated, this project will include:

- New sod in the labyrinth area and front of the church
- Reinforcement of labyrinth and pathway with polymeric sand
- Redesign of planting area borders
- Adjustment and repositioning of irrigation heads in affected areas.
- Update to drip irrigation system around labyrinth area - *completed*
- Additional plantings to enhance grounds
- Refresh mulch in labyrinth area and front of the church

Again, this project has been funded by several St. Philip's parishioners and further donations will be accepted as we progress.

The restoration of the remaining landscape affected by construction is in the planning stages and CAD drawings are currently being prepared to enable St. Philips' design committee to review and provide their input. Once designs are adopted, they will await the completion of Fellowship Hall construction and will be funded as part of that building project.

Building Committee Report: Bill Bittenbender, Chairman

We have been making significant progress closing in the Fellowship Hall and were looking forward to installation of windows as well as roughing in the plumbing and electrical work. Unfortunately, COVID raised its ugly head and our framing crew lost half of its people to the pandemic. In addition, our supplier of Hardi board siding has said they will stop all production until the end of October due to supply chain issues. Working with our contractor to see if there are alternatives to the framing crew as well as material suppliers. These are factors that are not unique to our project and are impacting construction work in North Carolina and across the US.

Impact on schedule is being evaluated and will report any changes as soon as determined.

Strategy Team Report – Bob Wright, Chairperson

HOW CAN WE HELP?

I. Current Status (as we see It)

- A. The Vestry, MBs and Ministries have a clear understanding of the strategic goals of the Vestry. After months of internal discussion and personal presentations by Fr Eric to the MBs there have been opportunities to ask and receive answers. The congregation has been provided a clear understanding (primarily via E-news) of the differences between a parish church and a program church, along with the duties and responsibilities of the Vestry, MBs, Ministries, and Clergy. Per reports by the Chaplains there have been limited results towards the desired strategic goals. Possible reasons may include the following:
1. The belief that there is no reason to change the way things have always been done. We recognize that changing to a program church and strategic goals were not done in the past.
 2. A belief that the Vestry is attempting to assert operational control over the MBs and Ministries.
 3. It is possible that the MBs and ministries are not fully aligned with the vestry's strategic

goals and therefore have not been successful generating enthusiasm.

4. COVID has been a significant factor affecting meeting schedules for both the MBs and Ministries.

Possible Solution

- A. Recognizing that it may take more time than we would like to obtain support and results, should the Vestry consider taking a leadership role?
 1. With direct involvement by the Vestry, it is likely that actions and result would get done more quickly.
 2. Unfortunately, direct involvement by the Vestry may reinforce the belief that the Vestry is intent on taking an operational role and diluting responsibilities of the MBs.

II. New Initiative: Use of the new Fellowship Hall (short-term):

- A. We are currently unaware of any specific plans for use of the new Fellowship Hall. The completion date is a moving target; however, we believe that an organized effort to initiate planning should commence immediately.
 1. Should we start planning for a “grand opening” with attendant media coverage?
 2. Open to the public as a means of introducing SP to the local population?
 3. Publish an event schedule for the congregation, and perhaps the greater community, of the planned events from week 1 through the foreseeable future.

III. Growing the Church:

- A. Have we decided where we should place SP emphasis on growth - reaching for young families or continue to grow the mature/adult population? Our limited research (interviews of younger families and review of websites) seems to indicate that competing for younger families may require more expense, time, and effort that we have available. Currently there are several churches in Brunswick County with a successful focus on the youth and young adults.
 1. It has been suggested that adding a 3rd “contemporary” Sunday service may attract younger families.
 2. Is a “contemporary” worship service consistent with the liturgy of the Episcopal Church? Inputs and direction from diocesan and parish leadership would be needed before proceeding.
 3. If successful, how do you reintroduce a traditional service to young adults as they mature?
 4. If we concentrate growth with mature/adults how is that accomplished?
 - a. Potential new activities may develop and create interest to this demographic:
 - 1) Educational lectures
 - 2) History discussion
 - 3) Cooking demonstrations
 - 4) Conversational foreign language
 - 5) Travel seminars (info for those traveling to various parts of the world)
 - 6) Music
 - 7) Art Appreciation/lessons (watercolors, oils, etc.)
 - b. We haven't been in the position to offer much of the above due to space limitations, however, with the completion of the Fellowship Hall, all of the above would be possible.
 - c. Developing programs and scheduling for the Fellowship Hall could potentially be a new ministry. Having a small group available to evaluate and research possibilities

and then schedule events could grow into be an important church function. This could result in a very active and satisfying ministry contributing to the growth of St. Philips.

Nominating Committee (NomCom) Report

Strawman Timeline: some of these dates may change, but it's a start.

- ~~July 21: Nominating committee established~~
- ~~Aug 9: Retiring vestry members meet & create a list of possible candidates for nomination~~
- ~~Aug 1: List of potential candidates verified for eligibility~~
- ~~Aug 27: Initial announcement calling for Vestry nominees published in weekly E-News~~
- Sep 3 Announcement in E-News
 - Committee to review all submissions up to this point.
 - Begin contacting NomCom list of possibilities if not already submitted.
 - Verify all submissions as they are received. Make sure bios are included.
- Oct 11: Have all bios to office to be included in new Monthly Newsletter (published last day of month)
- Oct 31: Newsletter published with all bios of candidates.
- Nov 28 or Dec 5 Annual Meeting/Election of new Vestry members.

REMINDER There are 6 vacancies on the Vestry to be filled:

- 4 three-year terms,
- 1 two-year term, and
- 1 one-year term.

It is assumed the terms will be filled by the number of votes received:

- **Top 4 vote-getters** will fill the three-year terms,
- **5th highest votes** will fill the two-year term, and
- **6th highest votes** will fill the one-year term.

Faith Formation Ministry Board Chaplain – Tom Griffin

In early September the Faith Board met by zoom. Chairman Nan Bush reported on the latest Board Chair meeting. She mentioned that each Board Chair and Board should consider finding a back-up Chairperson to help continue the work of the Board. Discussion occurred and a few names were mentioned. That discussion was tabled for further action. Nan will conduct her Wednesday Bible class starting at 10 AM and concluding at 11:30 by zoom beginning September 22. Last week between the 2 services was the beginning of the Discovery Class. It is held from 9:15- 9:45. This segment of a four-part series is titled "all about St. Philip's."

Parish Life Ministry Board Chaplain -Deborah Jordan

The Parish Life committee met on September 2, 2021. In attendance were Steve Moore, Barbara Kanto, Dolores Tipton, and Deborah Jordan. Topics covered were:

- Gather Round the Table:

- Deadline for signing up is September 20th. Hoping to have a mass e-mail about this. When all forms are gathered, Barbara will prepare a list and assign groups. Dining will begin in October.
- Hospitality:
 - Because there cannot be a luncheon for Happening Sunday, small giftbags of candy attached to a fan will be handed out to parishioners on September 12th as a reminder of all things beginning this Fall.
 - Discussion of how Hospitality will use the new Fellowship Hall will be discussed as soon as a committee is formed.
- Welcome Ministry:
 - It was discussed to have 2-3 Newcomer receptions per year on Sunday afternoons.
 - Bag of information to be given to newcomers.
 - Lorraine follows up with an e-mail.
 - If newcomer is interested in more information, a Bridger (formerly Shepherd) will make a follow-up phone call.
 - Newcomers will be invited to join the Discover Class.
- ECW:
 - Planning a day of devotion and speaker on a Saturday in January.
 - Lunch Bunch has been having good attendance. They meet the last week of the month and rotate the day of the week it is held.
 - Fall Festival is October 2nd.
- Men's Club
 - Possible Frogmore Stew September 28th.
 - Needs a new chairman with the departure of Jimbo
- Odd Jobbers
 - Clark Sizemore is Chair
 - Need more members
- Brotherhood of St. Andrew
 - Is now called Men's Bible Study
 - Organized by Fr. Jeff Krantz

Outreach Ministry Board Chaplain- Holly Meiners

- Bob Fuchs is now interim Outreach Board chair for the remainder of the year.
- The Outreach Board is scheduling a meeting for either Oct 12 or the 19th.
- On the Agenda for the meeting will be discussions about who will receive the monetary donations this year. \$5,444.00 must be distributed this year.
- A new Coordinator is needed for the Winter Shelter and possibly the Angel Tree ministries.
- A new communicator is needed for the Outreach ministry.
- The Diaper Ministry donated 2,500 diapers to the Hurricane Victims in Louisiana. CGC Hauling , Provision Co. and the community made this happen.

September 18, 2021

MEMORANDUM FOR THE RECORD

Subj: Executive Committee Meeting of September 14, 2001

The Executive Committee of St. Philip's Church, Southport, NC met on Tuesday, September 14, 2021, to address issues that required discussion/decisions prior to the regularly schedule vestry meeting on Tuesday, September 21, 2021. In attendance were Fr. Eric Mills, Rector; Dana Richardson, Senior Warden; Dave Ham, Junior Warden; and Bill Bittenbender, Vestry member. Bob Fuchs *ex officio* member, Treasurer was out of the area for this meeting. Also in attendance for the initial item were Al Snell, Chairman of the Safety and Security Committee (SSC) and Bryan Wester, Buildings and Grounds Manager.

Specific items were:

1. Draft Policy for Evacuation Emergencies During Church Services.

- a. Al briefed the draft policy which provides the basis for educating the parish on required response to emergencies such as fire alarms. The procedures have been designed to be crisp and succinct. The ushers will be instrumental in directing the evacuation and assisting getting those needing assistance out of the church and to a designated location upon activation of an alarm. Training will be coordinated between the clergy and the SSC. Fr. Eric indicated that there had been plans to provide the training at the end of the services on the last Sunday during months with five Sundays.
- b. Al was tasked with:
 - i. Adding procedures for getting the handicapped out of the church
 1. first out with wheelchairs
 - ii. adding the procedures for getting the congregation across Moore Street to either the Community Center or to Ft. Johnson.
 - iii. contacting the Southport Fire Department to determine where they would want the church to gather until the "all clear" is given.
 - iv. Contact Trinity United Methodist Church to determine what their pre-planned procedure is for a fire evacuation and/or drill.

2. Building Access Control

- a. Finance and Facilities Ministry Board drafted a policy for building access that was received by the vestry in April 2021. SSC has been reviewing this policy to determine how it would be enacted, especially with the ongoing construction of the Fellowship Hall nearing a point where building access is being considered for installation of door locks and monitors.
- b. Al has been working with Bryan to determine what level of security and access mechanisms will be needed and how these items will be used by the people occupying the parish office facilities.
 - i. There are many options but now is the right time to determine what is needed and how it is to be used.

- ii. Bryan and Al will continue to research options.

3. Endowment Policy:

- a. The F&F MB drafted Endowment Policy that was provisionally approved by the vestry on June 20 pending acceptance by the Executive Committee of the final wording to include notarized documentation of the gift.
- b. Changes to the policy were accomplished via email exchanges between the Senior Warden (Dana Richardson) and the Endowment Manager (Jim Belvin). Agreement on a final version was finalized on 9/13/21.
- c. Policy is now in place to start introducing the Endowment Policy/Procedures to the parish.
- d. Only item to be worked on is the Endowment Agreement Form.
 - i. When edits are complete, this form should be reviewed by our Chancellor and then added as an attachment to the Endowment Policy.

4. Insurance Liaison:

- a. F&F MB approved the Rick Pearce for assignment as the church Insurance Liaison. The assignment had no specific duties except to act as the go-between the church and our insurance provider (The Church Insurance Company of Vermont).
- b. A draft job description was distributed with a request to identify specific tasks to be provided by the person filling the assignment. Specifics that were initially listed were:
 - i. Provide the F&F MB an input to the annual review of all insurance policies;
 - ii. Identification of any insurance coverage deficiencies, such as coverage of replacement costs;
 - iii. Recommendations to the F&F MB and vestry for how to resolve any identified coverage deficiencies.
 - iv. Additional duties discussed were:
 - 1. the update and maintenance of the video inventory of church property required for the annual church audit.
 - 2. Determination of the deductible amounts required to cover both fire and named storms.

5. Facilities Reservation and Use Policy:

- a. Policy drafted by the vestry has been delivered to F&F MB for assignment of fees and final revision coordination with the vestry.

6. Other issues discussed:

- a. Outreach Ministry Board needs an interim chairperson to run the MB until the first of the year to oversee budget development, and distribution of funds.
 - i. Fr. Eric will talk to Bob Fuchs about his filling in as an interim Outreach MB Chair for the remainder of this year
- b. Policy approval process:
 - i. Any policy being delivered to the vestry for approval will first be reviewed by the Executive Committee for the following criteria:
 - 1. Does it need to be policy?
 - 2. Does the proposed policy achieve what is needed?
 - 3. Does the proposed policy impact any other existing policy?

4. Can the proposed policy be executed?
 5. Is there a cost to implement the proposed policy?
 6. Is the proposed policy affordable?
- ii. Once the proposed policy has been reviewed by the Executive Committee, the results of the review will be presented to the vestry for final approval.
- c. Audit: It appears that we may be due for an Independent Certified Auditor in 2022 - our last non- Diocesan Contract Audit was in 2016.
 - i. Episcopal Diocese of East Carolina Audit Request Form for 2021 has a selection for Parishes with operating revenue of over \$500,000 that indicates the last time a Diocesan Contract Auditor can be used is if an Independent Certified Auditor was used in the last five (5) years.

Respectfully submitted: Dana Richardson, Executive Committee Chairperson

The St. Philip's Church Endowment Fund Policy

This policy is created to manage **all** endowment funds given to or created by St. Philip's Episcopal Church (Church).

All named endowments or annual pledge endowments must be established through a signed legal document that codifies the agreement between the Donor and the Church. (**See the attached Endowment Fund Agreement**). The Finance and Facilities Ministry Board (Board) will provide and manage all endowment agreements. A summary of all endowment agreements will be reported in the Annual Report to the parish.

Endowment Categories

The following categories of endowments are elements of the Church's Master Endowment Fund (Master Endowment Fund):

Named Endowments: Gifts of \$50,000 or More

These funds may be general or specific purpose gifts and, with the approval of the Board, may be named at the donor's direction to honor or memorialize an individual, family, organization, or cause.

Specific Purpose Endowments: With the Board's approval the donor may direct that the income or principal (see Distribution of Individual Fund Income) from their endowment be used to support a specific Church expense (e.g., clergy salaries, the Altar Guild or an as yet unsupported function).

Unrestricted or General Endowments: Donors may choose to have the income or principal (see Distribution of Individual Fund Income) from their endowment support general fund expenses as determined annually by the Board.

Named Annual Pledge Endowments: Gifts of Less than \$50,000

Parishioners are encouraged to create endowments designed to support their annual pledges in perpetuity. If the annual income/pledge distribution equals or exceeds a minimum of \$1,000 annually, donors are invited to name their annual pledge. An example is the John and Mary Smith Family Annual Pledge.

Named Endowments

Donors of named endowment are encouraged to make lump sum endowment gifts. With the Board's approval, however, a fund can be established with the understanding that gifts will be made over time on an agreed to schedule. Once total gifts reach \$50,000 the donor may then name the endowment as detailed earlier in this document.

All named endowments valued at \$50,000 or more or annual pledge endowments must be established through a signed legal document (Endowment Fund Agreement) that codifies the agreement between the donor and the Church. The Board will provide and manage all endowment agreements.

General Unnamed Endowments

The Church welcomes gifts designated for the support of ongoing Church expenses. These gifts can be designated as follows.

Existing endowments: Donors may contribute to existing funds. No naming rights will be conferred unless the amount contributed meets the minimum naming requirement and is gifted to an as yet unnamed fund.

Special Project Endowments: From time-to-time the Church may create special project endowments designed to encourage donors to support identified institutional needs. For example, special project endowments might include funds designed to purchase new pews as needed, the creation and support of a columbarium, support for campus maintenance expenses, etc.

Additional Gifts

Any person (whether an individual, corporation, trust, estate, or any other organization or entity) may make a gift to the Church for the purpose of supporting a specified endowment, named or unnamed, by designating that the gift should be added to the designated Fund. The form of the gift, and any conditions associated with the gift, must be acceptable to the Board. Any funds conveyed and accepted in this manner shall be added to the principal of the Fund. All such gifts, bequests, and devises to the Fund shall be irrevocable.

Investment Management

All gifts to the Master Endowment Fund will immediately become the exclusive property of the Church. Responsibility for the management of the Master Endowment Fund resides exclusively with the Board. To that point, the Board, will create/update, as it deems appropriate, a policy that details an investment strategy to include direction on types of investments and general risk policies that will govern the management of the Master Endowment Fund.

All endowment gifts will be deposited in the Master Endowment Fund. As authorized by the Board and directed by the Church's investment policy, the Board will be responsible for the management of this fund until its value exceeds \$100,000. When the fund value exceeds \$100,000, the Board will engage a professional investment firm that will manage the fund as directed by the Church's investment policy.

Master Endowment Investment Income Distribution

Given that the Master Endowment Fund will be made up of a number of different accounts of varying values, investment income will be distributed on a fund share basis. For example, an account valued at 6% of the value of The Master Endowment will receive 6% or a pro-rata share of the fund's annual investment income. The Board reserves the right to develop and implement a revenue reinvestment program designed to protect each named fund from inflation (e.g., in a year in which the Master Endowment Fund earned 6%, 4% would be distributed to each Endowment as expendable income and 2% would be reinvested in each individual Endowment).

Distribution of Individual Fund Income

As consistent with its Endowment Fund Agreement, investment income will be used annually to support the activity(ies) as originally designated by the donor. For example, annual income from the "Jones Choir Endowment" would be used to support choir expenses as determined by the designated fund manager. Exceptions, to include those for Special Project Endowments, must be approved by the Board.

As a general rule, income from each endowment will be distributed at the end of each calendar year and expended at the direction of the Board and in accordance with the signed legal agreement between the Donor and the Church. The Board may, however, opt to distribute fund income as the investment year progresses. Further, with donor approval, the Board will be authorized to expend fund principal as required to support the fund's target purpose. Specific language to this effect must be included in each endowment agreement.

Gift Recognition

With donor approval, endowment gifts will be recognized in the following ways.

- All endowment gifts will be recorded in the Church's gift book by donor name and endowment designation
- Gifts of \$10,000 or more will be listed on a plaque by donor name and endowment designation. This plaque will be prominently displayed in the Fellowship Hall.
- Gifts of \$25,000 or more will be listed on the above referenced plaque and on a separate plaque to be hung, where possible, close to the area that benefits from the gift (e.g., in the choir room).
- Gifts of \$50,000 or more will create a named endowment and the donor's name and that of the endowment will be listed on the plaque displayed in the Fellowship Hall.
- All endowments that have "active" funds will be listed in the Annual Report to the Parish.

Termination

Each endowment established by and managed by The Board on behalf of The Church shall continue as long as the need therefore exists, adequate funding is available for its purposes, or until the Church is dissolved or is terminated. The Board, in consultation with the Vestry, shall have the authority to determine whether there is a continuing need for an endowment, and whether there is adequate money or property available for its purposes. As specified in each endowment fund agreement,

if the Board terminates an endowment, any remaining funds shall be applied in such amounts and for such purposes as the Board in good faith determines to approximate most nearly the original charitable and benevolent purposes of the endowment. If, in the good faith opinion of the Board, the original or charitable and benevolent purposes of this Fund cannot be determined, or are impractical or impossible of fulfillment, then any remaining funds shall be applied in such amounts and for such purposes as the Board, with the consent of the Vestry, determines to be consistent with the general charitable and benevolent purposes of the Church, as set forth in its corporate charter.