

Waterford Mennonite Church Endowment Fund Guidelines

Purpose

The Waterford Mennonite Church (“WMC”) Endowment Fund (the “Endowment Fund”) will receive and administer gifts to WMC. Gifts may be anything of value: cash, bequests, real estate, bonds, mutual fund shares, farm commodities, livestock, promissory notes, or other assets on which a fair market value can be placed. Gifts will be used to further the ongoing mission of the church within these guidelines. The Endowment Fund provides a vehicle for gifts above and beyond budgeted giving to be invested for the church’s work.

Administration

1. The Endowment Fund Committee
 - A. The WMC Endowment Fund Committee (the “Committee”) shall have the following responsibilities:
 - (1) Administer the Endowment Fund consistent with the dictates of these guidelines.
 - (2) Promote the Endowment Fund to the congregation to encourage contributions to and requests for distributions from the Endowment Fund.
 - B. The Committee shall consist of the pastoral team leader, the chair of Ministry Leadership Council, lay ministry partner of Facilities and Finance Ministry Team, and three (3) at-large members of the congregation. At-large members shall be appointed in conjunction with WMC’s annual gifts discernment process in the following manner:
 - (1) Gifts Discernment Ministry Team shall recommend potential at-large members to Ministry Leadership Council.
 - (2) Ministry Leadership Council shall approve the at-large members from the pool of individuals recommended by Gifts Discernment Ministry Team, to be affirmed by the congregation.
 - (3) Initial at-large appointments shall be for terms of one (1), two (2) and three (3) years respectively so that each year the term of one at-large member of the Committee expires. Subsequent appointments shall be for three (3) year terms.
 - (4) At-large members may serve no more than two (2) full consecutive terms.
 - C. The Committee shall appoint a chair from among the at-large members. The chair shall serve a one (1) year term.
 - D. The Committee chair and chair of Ministry Leadership Council shall be empowered to sign any legal documents necessary to carry on the administration of the Endowment Fund. Both signatures are required on all such documents.
2. Endowment Fund Investment Management

The Endowment Fund shall be invested consistent with the beliefs and mission of WMC. Investment management of the Endowment Fund will initially be provided by Mennonite Foundation, 1110 North Main Street, Post Office Box 483, Goshen, IN 46527; the investment manager may be changed at the discretion of the Committee. The Committee is

responsible to develop investment policy in consultation with the investment manager, to be reviewed and approved by the congregation from time to time.

3. Complex Gifts

Special gifts requiring expertise in management and charitable tax law may be referred to Mennonite Foundation to handle for the benefit of the Endowment Fund.

4. Fiscal Year

The Endowment Fund's fiscal year shall commence on January 1 and conclude on December 31.

Contributions

1. Gifts to the Endowment Fund may be given directly to the WMC office manager or Committee chair. Desire for anonymity will be strictly respected. Donors to the Endowment Fund are encouraged *not* to designate their gifts to certain uses. Anyone making a large gift or wishing to designate their gifts to certain uses should discuss the gift with the Committee chair. Gifts may be designated if the Committee determines the designated use is in keeping with the mission and vision statements of WMC.
2. Gifts other than cash will normally be liquidated by the Committee and the cash proceeds deposited in the Endowment Fund account.
3. The Committee shall have the right to refuse a gift that is inappropriate or impractical for the Endowment Fund and/or not in keeping with the mission and vision statements of WMC.
4. Undesignated large gifts or estate bequests may be placed in the Endowment Fund at the discretion of the congregation.
5. Contributors to the Endowment Fund freely forfeit ownership of contributions, and no portion of the contributions or earnings from them may ever revert to or be used by any individual, but will remain the property of the fundholder, WMC, to be used in accordance with these guidelines.

Tax Benefits

Since the Endowment Fund is a charitable activity of WMC, contributions to the Endowment Fund may qualify for certain tax deductions based upon individual circumstances. For specific tax guidance a qualified tax consultant should be contacted.

Distribution of Funds

1. Distributions made from the Endowment Fund shall not exceed five percent (5%) annually of the rolling semiannual average of the market value of the Endowment Fund as of June 30 and December 31 for the previous six half-years. Distributions will normally be made during the months of June and December. Exceptions to the five percent (5%) distribution limit may be made only with the approval of seventy-five percent (75%) of the members who are present at a congregational meeting.
2. Recognized congregational groups and individual members of WMC seeking funds for a program or project must submit an application to the Committee by April 1 and October 1. The Committee shall approve distributions for each period by June 1 and December 1.

3. All distributions from the Endowment Fund shall be made to further the mission of the church as set forth in the WMC mission and vision statements, which may include, but are not limited to, distributions for the following:
 - Outside missions
 - Local missions and outreach
 - Start-up costs for new programs
 - Training of future church leaders
 - Special projects
4. Under no circumstances will the undesignated portion of the Endowment Fund income be used to directly support the church's annual operating budget. Income may be used only for above-budget giving in accordance with the above provisions for distribution.

Reporting

A report of all funds invested and Endowment Fund income disbursed shall be part of the congregation's annual financial reporting. Individual donors will not be identified if anonymity is requested. This report is the responsibility of the Committee.

Changes to These Guidelines

1. Changes to these guidelines may be made only by congregational action.
2. Any change to the guidelines should be submitted to the Endowment Committee. The Committee shall review the proposed change and make a favorable or unfavorable recommendation to Ministry Leadership Council. Ministry Leadership Council shall then determine whether to place the proposed change on the agenda for the next congregational meeting. Any proposed change to these guidelines must be published at least two (2) weeks prior to a congregational meeting and receive a vote from seventy-five percent (75%) of the members who are present at said meeting.

Termination of Fund

1. Procedure

The Endowment Fund may be terminated and dissolved only by action of the congregation. Any proposal for termination of the Endowment Fund should be submitted to the Committee. The Committee shall review the termination proposal and make a favorable or unfavorable recommendation to Ministry Leadership Council. Ministry Leadership Council shall then determine whether to place the proposal to terminate the Endowment Fund on the agenda for the next congregational meeting. Any proposal for termination of the Endowment Fund must be published at least two (2) weeks prior to a congregational meeting and receive a favorable vote from seventy-five percent (75%) of the members present at said meeting.

2. Distribution upon Termination

Ministry Leadership Council, after consulting with the Committee, shall recommend the manner of distribution of funds in the event of Endowment Fund termination. The distribution of funds shall be made to further the mission of the congregation and shall not inure to the benefit of any individual member. The manner of distribution recommended by the Ministry Leadership Council shall require the approval of seventy-five percent (75%) of the members present at a congregational meeting. Notice of the proposed manner of

distribution shall be published to the congregation at least two (2) weeks prior to the congregational meeting. The votes to terminate the Endowment Fund and to approve a distribution plan for the funds in the event of such termination may occur at the same meeting, provided that the notice requirements set forth herein are met.