

THE BOARD OF THE STEWARDSHIP TRUST OF THE CHURCH OF THE GOOD SHEPHERD

POLICY REGARDING THE 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, etc. The bequest may identify the beneficiary in one of two general ways:
 - a. “The Church of the Good Shepherd of the Episcopal Diocese of North Carolina, Rocky Mount, North Carolina” or some other wording such as “The Church of the Good Shepherd, Rocky Mount, North Carolina.”
 - b. “The Endowment Fund of the Church of the Good Shepherd” or similar wording.

- 2) **Bequests with “The Church of the Good Shepherd”** as beneficiary can be of two general types:
 - a. “**Designated**” in which the donor has identified (a) specific purpose(s) to which the funds should be directed. The Vestry has ultimate responsibility to determine that 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 Stewardship Trust Fund) or by direct expenditure of the funds through the Treasurer of the Parish.
 - b. “**Undesignated**” 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 Endowment Fund. Such transfers, once made, are intended to be held in perpetuity. 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:
 - i) 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. If the Rector concludes that an exception is appropriate, the Rector will bring a recommendation to the Vestry at the earliest practicable time.
 - ii) Final authority for granting such an exception to policy will rest with the Vestry.

- 3) **Bequests designating the Parish Endowment Fund as beneficiary** are automatically transferred to the Endowment Fund upon receipt. If the bequest was given for a designated purpose, then the value of the assets will be applied to establish a Designated Fund of the Endowment Fund, as provided for in a separate policy, and the earnings made available for use for that designated purpose only. If the bequest to the Endowment Fund is otherwise undesignated, the assets will be directed to that portion of the corpus of the Endowment Fund whose earnings are unrestricted.

- 4) **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 relevant officers of the Parish, including the Rector, the Senior Warden, the members of the Finance Committee, and the Chair of the Board of the Endowment Fund. A decision regarding the liquidation of securities will not be made until it is determined whether those assets are to be directed to the Endowment Fund, in which case the certificates will be given to the Treasurer of the Stewardship Trust to be held or sold, which decision will be made on portfolio considerations. Otherwise the liquidation of securities will be handled according to the normal practices of the Treasurer of the Parish. The method, timing, agent, etc. for the liquidation of other assets (such as real estate or personal property) will be decided by the Vestry.
- 5) **Appropriate acknowledgements of bequests** will be given by the Rector and by the Chair of the Board of the Endowment Fund in a timely manner.

Adopted by action of the Board of the Endowment Fund of the Church of the Good Shepherd this 23rd day of April, 2008.