

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

## **DESIGNATED FUNDS POLICY**

A separate and designated fund of the Endowment Fund may be established for gifts in the amount of \$5,000 or more. These assets are merged with other assets of the Endowment Fund for investment purposes, but the identity and designated purpose of each fund is preserved individually.

Funds amounting to between \$5,000 and \$10,000 may be designated by the donor to be added to funds pooled for specified purposes recommended by the Trust Board and approved by the Vestry, such as: Worship, Buildings and Grounds, Outreach, etc.

Funds amounting to \$10,000 or more may be designated by the donor for a specific purpose upon the recommendation of the Trust Board and approval by the Vestry.

The fund is established effective the last day of the quarter in which the gift is received. The value is determined either by the actual value, if received by the Endowment Fund in cash, or the market value of the assets determined on the date the fund is established.

Income, realized gains or losses, and unrealized gains or losses, are allocated quarterly to each fund based on its market value relative to the total market value of the Endowment Fund at the end of the previous quarter. New gifts are then added and withdrawals are subtracted to arrive at the new value of the designated fund on the last day of the quarter.

The funds made available for expenditure, under the formula defined in the Allocations Policy, are limited to the purposes specified in the designation. Unless otherwise restricted by the donor, the Vestry, or the Board of the Stewardship Trust, any available but unspent funds remain in the fund and are available for expenditure in subsequent years, as stipulated in the Allocations Policy. These unspent funds increase the total market value of the designated fund and continue to accrue earnings until expended.

The Stewardship Trust Board may agree to establish an individual fund with a lesser amount than \$5,000, with the assurance of the donor(s) that the fund will be added to over time and that the \$5,000 minimum level will be reached in a reasonable time. Until such time as the minimum level is reached and a designated fund is established, no earnings will be available for expenditure. The portion of the earnings attributed to that fund will be accrued and become part of the corpus to more readily move the fund to the \$5,000 minimum level.

Adopted by action of the Stewardship Trust Board of the Church of the Good Shepherd this 23<sup>rd</sup> day of April, 2008.