

RESOLUTION RESPECTING
THE LEGACY FUND AND PLANNED GIVING PROGRAM
OF ST. ANDREW'S PRESBYTERIAN CHURCH, CALGARY

1. PREAMBLE

St. Andrew's Presbyterian Church, in Calgary, Alberta (Congregation) has a living endowment of faithful members with rich gifts and varied talents.

"Like good stewards of the manifold grace of God, serve one another with whatever gift each of you has received." (1 Peter 4:10 - NRSV)

Many gifts are received by way of bequest through a member's Will, a traditional way of leaving a charitable legacy. However, today, there are many other options to consider in contemplating one's legacy, some that enable the donor to see the benefit of a gift during one's lifetime and others that provide a measure of financial security to the donor while also providing benefit to St. Andrew's. In the interests of providing information, guidance and encouragement to those who could be interested in considering or making arrangements for a planned gift, the Session of St. Andrew's (the "Session") has approved the establishment of a planned giving program (the "Program").

2. ESTABLISHMENT OF LEGACY FUND

In addition, in 2013 St. Andrew's received a sizeable bequest as a result of the amalgamation of St. Andrew's and Trinity Presbyterian Church in Calgary. St. Andrew's has been the recipient of a number of other special gifts since then. Session struck a committee (the "Legacy Fund Committee" or "Committee") to gather the Congregation's views and directions on how St. Andrew's could best be responsible stewards of this gift, gifts received since then and planned gifts received in the future through the Program. One of the recommendations of the Committee was the establishment of a fund (the "Legacy Fund") to manage and to invest only those gifts allocated to the Legacy Fund by Session or designated by a donor to the Legacy Fund.

3. PRINCIPLES OF THE LEGACY FUND AND PROGRAM

The Legacy Fund Committee also developed a strategy for the Legacy Fund and Program outlining the following criteria:

- (a) The purpose of the Legacy Fund;
- (b) The types of initiatives/activities for which the Legacy Fund could be used;
- (c) The guidelines for the administration/management of the Legacy Fund; and
- (d) The investment vehicle for the Legacy Fund.

4. OBJECTIVES OF THE LEGACY FUND AND PROGRAM

The Committee also came to agreement on the following principles respecting the governance of the Legacy Fund and growth of the Program. They are:

- (a) that control of the Legacy Fund be within the governance of the Congregation of St. Andrew's;
- (b) that there be a provision for the continued growth of the Legacy Fund through new planned gifts to the Program which would have the following objectives:
 - (i) For Prospective Donors:
 - (A) To provide opportunities for members and friends of St. Andrew's to fulfill their immediate or long-term philanthropic goals related to a legacy or other special gift for St. Andrew's; and
 - (B) To provide support and encouragement for prospective donors through group and individual initiatives that build awareness, give appropriate information and invite participation.
 - (ii) For St. Andrew's:
 - (A) To increase the long-term financial viability of St. Andrew's through the encouragement of planned giving to the Legacy Fund as well as special purpose giving;
 - (B) To grow the ministry and mission at St. Andrew's beyond what would be possible through the annual operating budget;
 - (C) To create a program that does not diminish weekly giving but rather enhances awareness of need and opportunity, and increases involvement of members and friends; and
 - (D) To facilitate the intent of donors in accordance with the policies and mission of St. Andrew's, and when necessary, to decline the acceptance of any gift deemed as not being in the best interest of St. Andrew's, or to vary the purpose in an appropriate way;
- (c) that this document, after it is approved by the Session be presented to the Congregation for ratification at the next duly called meeting; and
- (d) that the approved document be forwarded to the Presbytery of Calgary because of the stated intent described in section 11.

5. GIFTS, GIFT POLICIES AND PROCEDURES

5.1 Sources of Gifts

It is expected that gifts will come in a variety of ways from the accumulated assets of members and friends of St. Andrew's including:

- (a) bequests in wills,
- (b) assignment of life insurance,
- (c) transfers of real and personal property (cash, stocks, bonds, real estate); and
- (d) gift annuities.

5.2 Types of Gifts

It is anticipated that two types of gifts will be received into the Legacy Fund:

- (a) Restricted (designated); and
- (b) Unrestricted (undesignated).

Gifts received without designation as to use will be reviewed by the Legacy Fund Committee prior to determining their application. Nonnally, the amount of an undesignated gift will be divided equally between the three sub-funds of the Legacy Fund, but the Committee may recommend to Session that undesignated gifts be allocated in different proportions for Session's approval.

5.3 Donor Direction

Donors may designate the specific sub-fund into which their gifts will be placed, namely - to the Mission of St. Andrew's, or the Worship & Ministry of St. Andrew's or the Facilities of St. Andrew's or any combination thereof. Donors may also indicate a preference as to the specific use for which the gift will be applied. Every attempt will be made to honor the wishes of the donor.

5.4 Review Of Gifts by the Committee

- (a) Although it is contemplated that the majority of gifts made will be in the fonn of cash or other liquid assets, the Committee realizes that some gifts may be in the form of real property, or an interest in real property. The Committee reserves the right to determine if such a gift may carry with it a liability. Liability may include, but not necessarily be limited to, environmental issues, lien issues, property tax issues or other matters which might or could present a liability or other detrimental issues for St. Andrew's. For these reasons, and possibly others, the Session reserves the right to decline any such gift which might or could present liability or other detrimental issues for St. Andrew's.
- (b) If a gift is offered that Session deems not to be within the interests, existing policies or mission of St. Andrew's, and the Committee is unable to convince the donor or the estate representative to alter the purpose or vehicle of the intended gift, the Committee may decline the gift and return same, if already received, without interest or accruals.

S.S Legacy Fund and Allocations

The Legacy Fund will be divided into three separate sub-funds entitled:

- (a) Our Mission

The purpose of Our Mission sub-fund is to provide financial support for the mission work of the Congregation, which may be, but is not limited to outreach, social assistance, social programs, witness and evangelism, church growth, new church development, justice and neighbourhood ministry. Our Mission is intended to help us express love for our neighbour, whether near or far.

- (b) Our Worship and Ministry

The purpose of Our Worship and Ministry sub-fund is to provide financial support for the ministries of the Congregation, which may be, but are not limited to worship, music, Christian education, fellowship, hospitality, pastoral care, and congregational life. Our Worship and Ministry is intended to support the Congregation in being the Body of Christ.

- (c) Our Facility

The purpose of Our Facility sub-fund is to provide financial support of major maintenance of the building, or buildings of the Congregation, beyond what could normally be supported by our annual budget, as well as for major maintenance, upgrading and additions to the property of the Congregation, beyond what could normally be supported by our annual budget. Our Facility is intended to maintain our building and property which supports our mission and ministry.

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Management of the Legacy Fund

The Committee shall have authority to manage the Legacy Fund and will do so in accordance with the terms of this document.

The Session, or the bodies it designates, shall have authority to determine how the proceeds of the three sub-funds being Our Mission, Our Worship and Ministry, and Our Facility, are allocated and utilized.

The Committee shall administer the Legacy Fund in accordance with the terms of this document, and in particular, section 5.8 and section 8.

Investment of Gifts

- (a) Monies in the Legacy Fund will be invested:
 - (i) for the long-term,
 - (ii) in such a way that preserves the inflation-adjusted value of the capital, and
 - (iii) so that they are easily administered by St. Andrew's.
- (b) The Committee recommends that this can be accomplished, at this time, by allocating the monies of the Legacy Fund to only one investment vehicle being the Consolidated Fund of the Presbyterian Church in Canada (the "PCC Fund"). Investing in the PCC Fund has the following advantages. It

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- (i) is a balanced, pooled fund,
- (ii) consists of professionally managed equity and bond portfolios,
- (iii) was developed for the Trustee Board of The Presbyterian Church in Canada as a place to invest the national church's monies,
- (iv) is under the direction of the Trustee Board of the PCC Fund,
- (v) has diligent oversight that gives a level of monitoring and security that could not be matched by the Congregation of St. Andrew's,
- (vi) produces reports quarterly reports and an annual report prepared by an independent investment firm,
- (vii) has reasonable management fees, the amount of which will be removed before any investment income is received by the Legacy Fund,
- (viii) is a long-term investment vehicle, with a medium risk, that has outperformed the market during the last decade; and
- (ix) has a value of approximately \$145 million (2014 dollars) and contains funds of
 - (A) the national church
 - (B) endowments and trust funds of the PCC's theological colleges, synods and presbyteries, and
 - (C) individual congregations.
- (c) Investment income of the Legacy Fund earned but not disbursed as described in sections 5.10 and 6.1 in any year, will be added to the principal of the Legacy Fund and reinvested in the PCC Fund while adhering to the disbursement quota of the Canada Revenue Agency.
- (d) There will be a clear distinction defined and maintained between the Legacy Fund and all other funds of the Congregation.
- (e) As the Committee has recommended that all of the capital of the Legacy Fund be allocated to the PCC Fund at this time, there is currently no need for a detailed investment policy. However, in the event the Committee recommends to Session at a future time, that the investment of the Legacy Fund is no longer to be allocated and invested entirely with the PCC Fund, the Committee recommends that a detailed investment policy be developed and approved by Session and communicated to the Congregation prior to allocating any monies of the Legacy Fund to any other investment vehicle.

5.8 Administration and Oversight

- (a) The Committee, in fulfilling its responsibility for the assets of the Legacy Fund shall:
 - (i) receive a quarterly statement of Legacy Fund assets;
 - (ii) monitor the performance of the investments on at least an annual basis;
 - (iii) review the investment strategy and portfolio on at least an annual basis;

- (iv) monitor for compliance with the Legacy Funds investment mandate on an ongoing basis; and
- (v) ensure that the Legacy Funds portfolios are valued on at least a quarterly basis.

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- (b) The Committee will maintain and encourage awareness of the Legacy Fund and provide guidance to individuals and the Congregation. The Committee shall provide educational opportunities (a minimum of one annually) wherein members and friends of the Congregation may consider the opportunities the Legacy Fund provides for current gifts, special gifts, deferred gifts and bequests and ideally, this would be done in the wider context of stewardship, giving and estate planning.
- (c) Detailed accounting procedures will be employed regarding all aspects of the Legacy Fund including details of gifts and disbursements. A review of the Legacy Fund's performance will be communicated to the Congregation at least twice a year, one of which will be in the Congregational Annual Report.
- (d) The holdings of the Legacy Fund and use made of the income earned will be published each year in the Congregational Annual Report and members of the Congregation will be encouraged to inform the Session and/or the Committee in writing of any concerns, opinions or advice with respect to the Legacy Fund and its administration.
- (e) Acknowledging that the recognition of gifts is an important element of the Legacy Fund, gifts will be recognized, appropriately celebrated, and listed in the Congregational Annual Report, subject to the wishes of any donors who wish to remain anonymous. Reports of new gifts, income earned and disbursements made from the Legacy Fund shall be reported to the Congregation annually and all financial records shall be maintained by the Treasurer of St. Andrews.

5.9 Requests for Funding

Requests must be within the spending parameters of section 6.1 below and should be sent in the first instance to the Session or a body designated by Session to the Committee.

5.10 Disbursement of Funds

- (a) It is intended that monies generated by the Legacy Fund would not be directed toward basic operating requirements of St. Andrew's, but would instead be directed to support the purposes set out above for the three separate sub funds being "Our Mission", "Our Worship and Ministry", and "Our Facility". The Committee will inform the Congregation of the Legacy Fund monies available for the coming year which could be disbursed. This information will be made available at the annual meeting of the Congregation and periodically throughout each year to provide educational opportunities where members and friends of the Congregation may consider the opportunities that the Legacy Fund provides for gifting and that this would be done in a wider context of stewardship, giving and estate planning.
- (b) Upon determination of the monies available each year for disbursement, the Committee will distribute the income according to the terms of the various approved requests. In certain circumstances, the Committee may also consider special requests that have been recommended by one of the Session Committees. The Committee may also put a resolution before the Congregation at the annual general meeting or a special meeting to draw on capital of the Legacy Fund for specified purposes. In this case, the provisions of section 5.11 must first be complied

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5.11 Capital Withdrawals

While the Legacy Fund is intended to be a permanent endowment, in emergencies or special emerging opportunities, the Congregation may have access to the capital. Capital withdrawals from the Legacy Fund must be authorized by special resolution of the Congregation ("Special Resolution"), upon recommendation of the Committee and Session at a duly called meeting of the Congregation. A Special Resolution of the Congregation means one passed by a majority of not less than 75% of those members present and entitled to vote at a duly convened meeting of the Congregation.

Notwithstanding the paragraph above, the capital contributed to the Legacy Fund as part of the amalgamation plan of Trinity Presbyterian Church and St. Andrew's, in the amount of \$510,000 plus additional gifts of \$26,000 for a total of \$536,000 is to be a permanent endowment with only the earnings on such amount available to be disbursed as described in sections 5.10 and 6.1.

6. SPENDING POLICY

6.1 Spending Guideline and Financial Objective

Commencing in 2016, the annual disbursement from the Legacy Fund will be established using a rolling two year average of the value of the Legacy Fund and the Committee has recommended that a reasonable level of spending initially not exceed 5% of this two year average value of the Legacy Fund so as to grow the value of the Legacy Fund and to maintain over time, the inflation-adjusted value of the Legacy Fund.

7. COMMITTEE STRUCTURE AND MEMBERSHIP

7.1 Committee Structure

Notwithstanding that all of the capital of the Legacy Fund will currently be invested with the PCC Fund, it is desirable to establish a standing committee of St. Andrew's to administer the Legacy Fund and Program. The Committee shall consist of a minimum of five people and a maximum of seven people, all of whom shall be active members in the Congregation. The ministers shall be ex-officio non-voting members of the Committee. The Committee will elect from among their members a Chairperson, Secretary and Treasurer of the Legacy Fund.

7.2 Session to Appoint

The Session will have sole authority to name members of the Committee, and shall do so at least annually. Two (2) of the original Committee members shall cease to hold office on the first anniversary of their appointment and shall be replaced by members for a three year term. Another two (2) of the original Committee members shall similarly be replaced on the second anniversary of their appointment and the remaining original Committee members shall similarly be replaced on the third anniversary of their appointment. The Session shall appoint new Committee members mid-term, as required, at the request of the Committee. At least one (1) of the Committee members will also be a member of Session.

7.3 Terms

Subject to sections 7.2 and 7.4, the term of service of a Committee member shall be three years. A Committee member may be re-appointed for subsequent terms.

7.4 Ceasing to Serve

A Committee member shall cease to serve on the Committee if such Committee member:

- (a) shall die before the end of his or her term of service;
- (b) becomes incapacitated by reason of illness or infirmity;
- (c) is removed by a letter in writing from all the other Committee members which letter may be given arbitrarily and without reason;
- (d) resigns from membership in the Committee in writing;
- (e) ceases to be a resident in Canada or is absent from Canada in any calendar year for a period or periods the aggregate of which is one hundred eighty (180) days or more; or
- (f) shall be declared bankrupt or insolvent.

7.5 Committee Members To Be Informed

All Committee members shall receive a copy of this Resolution concurrently with their appointment to the Committee to become acquainted with the purpose and function of the Legacy Fund and Program as well as their duties and powers.

8. POWERS AND DUTIES OF COMMITTEE MEMBERS

8.1 General

In the conduct of their business, the Committee and its members shall maintain the following practices:

- (a) The Committee shall meet at least once every three (3) months and more frequently as the interests of the Legacy Fund require. Meetings may be called on forty eight (**48**) hours written or oral notice to members by the chairperson or any three members.
- (b) The affirmative vote of a majority of the members of the Committee shall carry any motion or resolution, unless otherwise stipulated in this document. In the event of a tie vote, the vote of the Chairperson shall decide the outcome. Committee members may participate by way of telecommunications at the time of the meeting. Proxy voting is not permitted,

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The Secretary shall record minutes of all meetings and keep records of designated gifts, extracts from wills and supporting information. The Secretary shall maintain complete and accurate books and accounts and may employ such professional help as they deem necessary in this regard.

- (d) The Committee shall present a full account of the administration of the Legacy Fund during the preceding year, including a financial report, to the annual meeting of the Congregation. As a part of this report the Committee may cause the accounts of the Legacy Fund to be examined and reviewed by an accountant engaged by the Committee for that purpose.
- (e) The Committee shall report at least quarterly to the Session regarding the proceeds of the Legacy Fund which are available for use.
- (f) The Committee shall hold the primary responsibility within the Congregation to inform the members of the Congregation of the Legacy Fund's purposes and encourage members of the Congregation to make donations to the Legacy Fund through all appropriate means. The Committee may arrange for professional counsellors to meet with the Congregation to explain planned giving, life insurance, estate and financial planning.
- (g) Committee members are volunteers and are not compensated for their work on the Committee. Committee members may be reimbursed from the reserve for expenses reasonably incurred while engaged in Legacy Fund business. Members may be contracted by the Committee to act in their professional capacity for a specified purpose (ie. A lawyer on the Committee may be engaged by the Committee to act on behalf of the Legacy Fund.), although this should be an exception and not a practise.
- (h) Committee members shall not engage in any self-dealing or conflict of interest in the exercise of their duties. Specifically, if a member of the Committee, or any agent or advisor providing investment advice to the Committee has any interest in any matter in which the Legacy Fund is considered, and became aware of such conflict, that person shall, without delay, disclose his or her interest in writing to the Committee and the Committee shall determine the extent to which such person shall abstain or not take part in any discussion or voting on any such matter.
- (i) The Committee may not engage for profit promotional or fundraising organizations without the approval of Session.

8.2 Financial Practices

As the stewards of the Legacy Fund, the Committee shall maintain the following financial practices:

- (a) The Committee is to have the widest possible latitude in carrying out its duties in managing the Legacy Fund.
- (b) The Committee may receive funds from any individual, corporation or organization, in any form of donation acceptable to the Committee, provided that such funds have been directed to the Legacy Fund by Session.
- (c) The Committee, in exercising its authority, shall invest and manage the Legacy Fund property under its control as a prudent investor.

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encumber the property held in the Legacy Fund, and in all other aspects to manage and control the Legacy Fund, or any part thereof, subject to adhering to the same standards of prudence required of trustees in accordance with the *Trustee Act* of Alberta, recognizing that Committee members are not trustees.

The Legacy Fund may be invested as an amalgamated Legacy Fund, so long as the Committee maintains records which at all times accurately reflect the receipts and disbursements of each of the sub-funds.

The Committee has the authority and power to employ and reasonably compensate from the principal and proceeds of the Legacy Fund, professional financial advisors, barristers, solicitors, accountants, tax specialist, valuers, surveyors, brokers, auctioneers, or other experts and professional persons, to assist and advise in the management of the Legacy Fund.

The Committee has the authority and power to transfer the direct financial management of all or part of the Legacy Fund to The Consolidated Fund of The Presbyterian Church in Canada, and subject to compliance with section 5.7(e), a future financial management program of The Presbyterian Church in Canada, a not-for-profit charitable fund administrator such as the Calgary Foundation, or a bank or trust company, which the Committee, acting as a prudent investor deems appropriate for the management of the Legacy Fund.

The Committee has the power and authority to maintain a reserve out of the principal and proceeds of the Legacy Fund to pay all administrative and necessary expenses in the management of the Legacy Fund.

The Committee shall have full power and authority by contract to bind the Legacy Fund without making themselves individually or collectively liable.

Subject to section 5.4, the Committee may retain a gift to the Legacy Fund in the form that the gift was made, even though it may not be in the form of an investment normally held in the Legacy Fund, and hold such gift in that form for such a length of time as the Committee may in its discretion deem advisable. If such gifts of securities or other property come to be regarded as speculative at any time, the Committee is authorized to retain it either for salvage or for permanent holding.

Committee Members Not Liable

The Committee members shall not be held liable for any financial losses which may be incurred by the Legacy Fund, except to the extent that such losses are attributable to their fraud, decisions they have made in bad faith, or their gross negligence. No Committee member shall be liable for the misconduct or omissions of another Committee member, or of any accountant, agent, solicitor or custodian who has been selected with reasonable care.

8.4 Committee Members Indemnified

Subject to the exceptions set out in section 8.3, Committee members shall at all times be indemnified from the Legacy Fund against all actions, proceedings, claims and demands which may be brought or claimed against the Legacy Fund and its Committee members.

9. POLICY REVIEW

This policy shall be reviewed annually by the Committee to ensure that it remains consistent with the overall objectives of the Legacy Fund and Program and prudent and conservative investment practices. This policy may be reviewed and updated more frequently if necessary.

10. AMENDMENTS

The provisions of the Legacy Fund and the policies herein may be amended by a majority of the Committee with a quorum present, subject to final review and approval by the Session. Amendments will be affected by such vote after two readings of the proposed amendments. The first reading shall be conducted at its regularly scheduled meeting. The second reading and vote thereon shall be conducted at the next regularly scheduled meeting. Any amendments shall not affect any gifts made to the Legacy Fund prior to such amendment. All such gifts made to the Legacy Fund will be administered in accordance with the provisions of this Resolution, in effect at the time the gift was made.

11. CHURCH AMALGAMATION OR DISSOLUTION

11.1 Dissolution/Amalgamation

The Legacy Fund may be dissolved in accordance with the laws of the Province of Alberta and the laws of the Government of Canada in accordance with the following circumstances:

- (a) If at any time, St. Andrew's Presbyterian Church shall amalgamate with another congregation or congregations, all of the provisions hereof in respect to the Program and Legacy Fund shall be deemed to have been made for and in behalf of such amalgamated church, which shall be entitled to receive all of the benefits of the Legacy Fund and shall be obligated to administer the same in all respects in accordance with the terms of this resolution.

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- (b) Should the Congregation be dissolved or cease to exist, the Legacy Fund shall be dissolved and its property shall vest to the Trustee Board of The Presbyterian Church in Canada, in accordance with The Act to Incorporate The Trustee Board of The Presbyterian Church in Canada (1939), section 13, re Property of Congregations Ceasing to Exist, or any Act that supersedes this Act.

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COMMITTEE

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