

EPISCOPAL DIOCESE OF GEORGIA

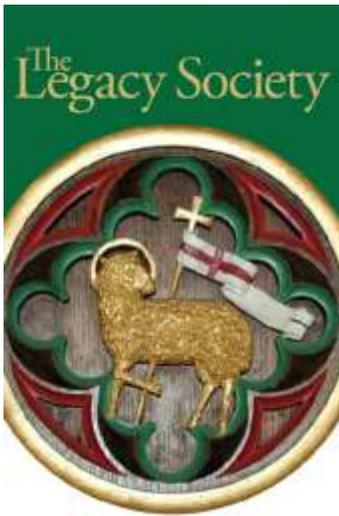


Planned Giving Handbook

FEAST OF THE PRESENTATION 2014

DISCLAIMER

Neither the author, the publisher, nor the Episcopal Diocese of Georgia is engaged in legal or tax advisory service. For advice or assistance in specific cases or whether to make certain a contemplated gift fits well into your overall circumstances and planning, the services of an attorney or other professional advisor should be obtained.



Planned giving programs are crucial to the long-term vitality of our work for God's mission. Thus, they must be a part of every parish's stewardship development plan. They hold enormous potential to help ensure that we will have the mission resources we need for generations to come. To our parishioners, they offer the opportunity to make a final affirmation of their Christian Faith and in the process remind us all that everything in this world belongs to God. Despite the fact that we are in the midst of the largest inter-generational transfer of wealth in U.S. history, fewer than one in ten persons leaves a gift to charity in their will or trust. Research shows why they have never considered it: They haven't been asked. We need to change that trend in the Diocese of Georgia. *We need to start asking our parishioners to remember their church in their estate planning process and to offer a simple and convenient vehicle for them to do so.*

The Legacy Society Committee was established in 2012 to help educate people around the Diocese about the importance of planned giving and to assist our parishes in developing planned giving programs. The Committee's goal, which I share, is to have such a program present in every parish in the Diocese of Georgia. The Committee, comprised of people from around the Diocese, has created the enclosed guide to help assist in this process. Included in it are the following:

- Step-by-Step Guidelines for Establishing, Communicating and
- Managing a Planned Giving Program
- Sample Plan Documents
- Current List of Legacy Committee Members
- Episcopal Church Foundation Resources

For other helpful planned giving information, please go to www.legacysociety.georgiaepiscopal.org.

The Committee members will be contacting each parish over the upcoming months. They are a wonderful resource and can offer guidance as well as additional materials upon request. Additionally, the Diocesan staff can offer assistance with many of your questions.

Please remember that any document from our website is there to serve only as a guide. Please consult with your parish attorney or financial advisor before finalizing.

Yours in Christ,

The Right Reverend Scott Anson Benhase, D. Min.
Bishop, Diocese of Georgia

For where your treasure is, there your heart will be also. Luke 12:34

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GUIDELINES FOR ESTABLISHING A PLANNED GIVING PROGRAM

OVERVIEW

All congregations manage their daily life and worship using funds from a variety of sources, one of which is gifts. Gifts are made in a variety of ways- as pledges, as special offerings, as memorial gifts, as donations to the flower funds, etc. Beyond these on-going gifts, there are “special” gifts, solicited or not, given with the intention of:

- Meeting an extraordinary need of the parish
- Expanding or improving parish facilities and abilities
- Making a final act of stewardship in a faithful life to ensure the future financial viability of one’s parish and its ministries

These “special” gifts are planned in nature, usually substantial in size, and require additional attention and intention for their effective use. Most planned gifts are associated with bequests and estate planning, but, regardless of whether the donor is deceased or still living, the readiness of the Rector, Wardens and Vestry of a parish to receive planned gifts greatly increases the possibility for such gifts and enables them to achieve their greatest potential.

For any gift, large or small, the most significant factor governing the way it is invested and is used, is the intent or instruction of the donor. It is essential from the beginning to understand whether the gift is unrestricted and can be spent on any purpose so designated by the Rector, Wardens and Vestry; temporarily restricted to be expended in full toward a specific goal or purpose; or permanently restricted wherein the original amount of the gift may not be expended but its capital appreciation and income may be expended toward a specific goal or purpose over time.

Many congregations already have established special funds. If so, it is likely that they have a documented process regarding how gifts to the parish are received, invested and spent. If not, however, there are certain decisions that should be carefully considered by the Rector, Wardens, and the Vestry. The purpose and value of such funds are their use in building up the Body of Christ. The goal is a judicious balance of maintaining the purchasing power of long-term assets

and appropriate use of the fund growth by periodic distribution to the purposes of the enabling resolution. Outlined below is a list and summary of each of the fund documents.

PROGRAM DOCUMENTS

(Model copies of all documents and policies are attached. Electronic versions are available on the Diocesan website. NOTE: These documents serve as a guide; it is important to consult with parish attorney or financial advisor before adopting.)

- 1) **Prior to developing the necessary documents for a planned giving program, the Rector, Wardens and Vestry (herein called the “VESTRY”) should do the following:**
 - a. Adopt a Gift Acceptance Policy stating which assets can be accepted and which cannot be
 - b. Approve a draft Resolution to establish a planned giving program describing the goals and purposes of the program
 - c. Designate a workgroup to oversee development of the planned giving program

- 2) **The designated workgroup creates the following documents:**
 - a. Enabling Resolution and Plan of Operation**
 - *Documents the basic ground rules*
 - *Establishes purpose of fund and how it will operate*
 - *Defines Legacy Fund Committee and positions and terms of members*
 - *Puts into place fundamental principles regarding the fund*
 - b. Designate Sub-Fund Policy**
 - *Sets a minimum contribution for donor specific funds and defines how they will be managed*
 - c. Investment Guidelines**
 - *Describes committee’s general investment goals, objectives, and risk tolerance*
 - d. Spending Guidelines**
 - *States formula that determines how the funds available for distribution will be calculated and how they will be spent*

- 3) **The VESTRY adopts the policy framework described above.**

- 4) The VESTRY appoints a Legacy Fund Committee as a separate committee accountable to the VESTRY.
- 5) The Legacy Fund Committee selects custodian and establishes investment policy guidelines.
- 6) The Legacy Fund Committee advises VESTRY on investment structure based on the investment duration and requirements of temporarily and permanently restricted gifts, to include the threshold limits for named sub-funds.*
- 7) The Legacy Fund Committee recommends investment advisor.* It can:
 - a. Hire its own investment advisor
 - b. Send funds to the Diocese to be pooled with other like funds managed by the Board of the Corporation.
- 8) VESTRY approves investment advisor and adopts the related banking authorizations. The Treasurer creates and monitors the reporting structure for the fund.
- 9) The Legacy Fund Committee and VESTRY report at least annually to the parish on the status of the funds and their uses in the prior year.

**NOTE: If the VESTRY intends to invest planned gifts in an already existing investment fund, then steps 6 through 8 may have already been resolved. However, all policies should be reviewed to make certain that the horizon and risk tolerance are consistent with the guidelines and goals of the planned giving program.*

COMMUNICATING A PLANNED GIVING PROGRAM

After the planned giving structure is in place, the Legacy Fund Committee should:

1. **Establish branding:**
 - a. Identify name and logo of planned giving program.
 - b. Create brochure, enrollment form, legacy plaque for parish wall, etc.
2. **Create member list:**
 - a. Research and record past planned gifts already received.
 - b. Ask congregation to self identify those that have made a planned gift to the parish or Episcopal entity within the Diocese.
 - c. Provide the Diocesan Office with the names that have already made a planned gift. Those persons are automatically members of The Legacy Society of the Diocese of Georgia.
3. **Display inquiry cards accessible for parishioners to ask for more information.**
4. **Develop a process for responding to inquiries.**
5. **Establish a gift acknowledgement/thank you process.**
6. **Consider a planned giving tab on parish website with links to resources:**
 - a. Lists of legal and/or financial estate planners in your community
 - b. Links to resources with thorough explanation of planned giving gift vehicles
 - c. Sample Gift Agreements
7. **Plan a kick-off event; present Diocesan Legacy Society pins to existing members.**

ON-GOING PROGRAM EFFORTS

The Legacy Fund Committee will:

1. Develop a communication strategy for the planned giving program:
 - a. Quarterly or bi-annual announcements
 - b. Information table in parish hall/courtyard
 - c. Newsletter acknowledgement of members
 - d. Reminders in all publications (bulletins, brochures, website, etc.), “Have you remembered [*name of parish*] in your estate planning?”

2. Plan Events
 - a. Offer forums or seminar series on legacy giving (include a spiritual focus =not just seminars on the technical aspects of estate planning).
 - b. Coordinate an annual membership social event.

3. Integrate legacy giving as a normal and expected feature of Christian life and membership in the parish (*Clergy buy-in is critical here*).

4. Report at least annually to the entire Parish on the status and use of funds.

SAMPLE PLANNED GIVING DOCUMENTS

The Vestry of [*name of parish*]

[*Address*]

RESOLUTION

In deep gratitude for our lives at [*name of parish*], for the gifts which God has given to us, and for the heritage we have received from our predecessors; and believing that we bear a responsibility toward the future generations of our Christian community,

We, the Vestry of [*name of parish*] in [*City*], [*ST*], approve and support the planned giving ministry for our parish and acknowledge that it is made up entirely of resources given by God and used to do exclusively the work of His kingdom.

THEREFORE BE IT RESOLVED, that [*name of parish*], through action of its Vestry, establishes a new and separate fund to be known as The Legacy Fund of [*name of parish and address*]. The Legacy Fund will enable [*name of parish*] to more completely fulfill its mission by developing its ministries beyond what is possible through its annual operating funds. Distributions from The Legacy Fund shall be limited to:

SAMPLE LANGUAGE :

- 1) *Capital needs of [*name of parish*]*
- 2) *Outreach ministries and grants*
- 3) *Seed money for new ministries and special one-time projects*
- 4) *Such other purposes as are specifically designated by donors to [*name of parish*] whose gifts are included in The Legacy Fund.*

*Distributions from The Legacy Fund shall not be made to the operating budget of [*name of parish*].*

It is the desire of this parish to encourage, receive and administer gifts in a manner faithful to the loyalty and devotion to God expressed by the donors, and in accordance with the Canons of the Episcopal Church and the Canons of the Diocese of Georgia, and with the policies of this parish.

The COMMITTEE of the Legacy Fund of *[name of parish]*, as defined in the Plan of Operation (attached hereto and made a part hereof as Exhibit A) shall be the custodian of The Legacy Fund; and will administer and manage the Fund in accordance with that Plan of Operation.

We commit to reviewing our individual estate plans with the intention of supporting or increasing our support of *[name of parish]* Legacy Fund. We encourage every member of the parish to do the same.

Passed by the Vestry of *[name of parish]*, on the ____ day of 20____.

[Name of parish]

Name of Senior Warden

Signature of Senior Warden

Attest:

Name of Secretary [or Clerk] of the Vestry

Signature of Secretary [or Clerk] of the Vestry

EXHIBIT A

PLAN OF OPERATION

1. The Legacy Fund Committee

The Legacy Fund Committee (herein called the “COMMITTEE”) shall consist of five (5) members, all of whom shall be members in good standing of *[name of parish]* (herein called “PARISH”); they shall be appointed by the Rector, Wardens, and Vestry of PARISH (herein called “VESTRY”). The Rector and Senior Warden shall be ex-officio members of the COMMITTEE. Except as herein limited, the term of each member shall be three (3) years. Upon adoption of this Plan of Operation, at least (1) member shall be appointed for a term of three (3) years; one (1) for a term of two (2) years, and one (1) member for a term of one (1) year. Thereafter, on an annual basis, the VESTRY shall appoint the necessary number for a term of three (3) years. No member shall serve more than two consecutive three-year terms. After a lapse of one (1) year, former COMMITTEE members may be appointed. In the event of a vacancy on the COMMITTEE, the VESTRY shall appoint a member to complete the unfulfilled term, upon the completion of which that person would be eligible for reappointment to a normal three-year term.

The COMMITTEE shall meet at least quarterly or more frequently as deemed by it in the best interest of the FUND.

A quorum shall consist of four (4) voting members. The affirmative vote of four (4) members shall be necessary to carry any motion or resolution.

The COMMITTEE shall elect from its membership a chairperson and a secretary. The chairperson, or member designated by the chairperson, shall preside at all COMMITTEE meetings.

The secretary shall maintain complete and accurate minutes of all meetings of the COMMITTEE and supply a copy thereof to each member of the COMMITTEE. Each member shall keep a complete set of minutes to be delivered to his or her successor. The secretary shall also supply a copy of the minutes to the VESTRY in a timely manner.

The Treasurer of the parish shall maintain complete and accurate books of account for the FUND and will assure an audit in compliance with the Diocesan and Episcopal Church

Canons. Consistent with canonical requirements, the books will be included in the annual parish audit prepared by a certified public accountant or other qualified person. Such person cannot be a member of the COMMITTEE.

The COMMITTEE shall report on a quarterly basis to the VESTRY and, at each annual meeting of the congregation, shall render a full and complete account of the administration of the FUND during the preceding year.

The COMMITTEE, at the expense of the FUND, may choose to recommend to the VESTRY for approval an investment manager for the FUND. Furthermore, the COMMITTEE, at the expense of the FUND, may provide for professional counseling on legal, accounting and/or tax matters as it deems to be in the best interest of the FUND.

Members of the COMMITTEE shall be liable for any acts or omissions committed by them (including losses that may be incurred upon the investments of the assets of the FUND) only to the extent that such acts or omissions were not in good faith or involved intentional misconduct. Each member shall be liable only for his/her own intentional misconduct or for his/her own acts or omissions not in good faith and shall not be liable for the acts or omissions of any other members. No member shall engage in any self-dealing or transactions with the FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his personal interest would conflict with the interest of the FUND.

All assets are to be held in the name of THE LEGACY FUND OF *[name of parish]*. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the FUND, including stocks, bonds, debentures, mortgages, notes, warrants, of other securities, as in their judgment and discretion they deem wise and prudent, are to be made by a designated member of the COMMITTEE.

2. Acceptance of gifts to the FUND

In the absence of a Gift Acceptance Policy of the PARISH, the COMMITTEE will establish a Gift Acceptance Policy through which decisions are made as to whether gifts to the FUND shall be accepted. This policy will incorporate the provision that, if a gift of property other than cash or publicly traded securities is offered to the parish, a careful review will be conducted to determine whether the best interests of the congregation are served by

accepting or declining the gift. Guidelines for conducting such a review shall be incorporated in the Gift Acceptance Policy of the FUND.

3. Distributions from the FUND

It is the intent of this plan that the FUND shall be managed in a manner so that the purchasing power of the long-term assets is maintained while, at the same time, fund growth is periodically distributed. The COMMITTEE shall formulate a policy defining the spending guidelines and protocols, with the approval of the VESTRY, that will provide for the withdrawal and use of funds consistent with the stated purposes of the FUND as defined in the Vestry Resolution.

4. Amendment of this plan

Any amendment of this plan shall be adopted by a vote of at least two-thirds (2/3) of the membership of the VESTRY at a regularly scheduled meeting or at a special meeting called specifically for the purpose of amending this plan.

5. Disposition or transfer of FUND

In the event the PARISH ceases to exist, whether through merger, dissolution or some other event, the assets thereof shall first be applied in liquidation of bona fide indebtedness, if any, and the remaining assets shall be turned over to the Episcopal Diocese of Georgia, 611 East Bay Street, Savannah, GA, 31401 to use in furtherance of its religious and charitable purposes.

The foregoing Plan of Operation is hereby adopted by the VESTRY of [*name of parish*] this _____ day of _____, 20____.

[*Name of parish*]

Name of Senior Warden

Signature of Senior Warden

Attest:

Name of Secretary [or Clerk] of the Vestry

Signature of Secretary [or Clerk] of the Vestry

THE LEGACY FUND COMMITTEE
OF
[name of parish]

POLICY REGARDING SUB-FUNDS

A separate and designated sub-fund of the Legacy Fund of [name of parish] (herein called the “FUND”) may be established for restricted gifts in the amount of \$_____ or more. These assets are merged with other assets of the FUND for investment purposes, but the identity and designated purpose of each fund is preserved individually.

The sub-fund is established effective the last day of the quarter, if not before, in which the gift is received. The value is determined either by the actual value, if received by the FUND in cash, or the market value of the assets determined on the date the sub-fund is established.

Income, realized gains or losses and unrealized gains or losses are allocated quarterly to each sub-fund based on its market value relative to the total market value of the 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 sub-fund on, or no later than, the last day of the quarter.

The amount of funds made available for expenditure out of a restricted fund is dictated by the formula defined in the Spending Guidelines and is limited to the purposes specified in the respective restricted fund or sub-fund. Funds restricted by the donor, by the Rector, Wardens and Vestry, or by the Legacy Fund Committee of the [name of parish] (herein referred to as “COMMITTEE”), and any available but unspent funds are held in the fund and are available for expenditure in subsequent years, as stipulated in the Spending Guidelines. These unspent funds increase the total market value of the designated fund and continue to accrue earnings until expended.

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

Adopted by action of the COMMITTEE this ____ day of _____, 20__.

[Name of parish]

Name of Chair of COMMITTEE

Signature of Chair of COMMITTEE

Attest:

Name of Secretary of COMMITTEE

Signature of Secretary of COMMITTEE

THE LEGACY FUND COMMITTEE
[name of parish]

INVESTMENT GUIDELINES FOR THE LEGACY FUND

The Legacy Fund Committee (herein called the “COMMITTEE”) will administer the portfolio of the Legacy Fund of *[name of parish]* (herein called the “FUND”) in accordance with these guidelines, as adopted and amended from time to time. These guidelines shall be reviewed at least annually by the COMMITTEE to determine whether they shall be amended or remain unchanged.

Objectives

The assets of the FUND are to be invested with the same care, skill and diligence that a “prudent person” would exercise under similar circumstances considering the purposes, terms, distribution requirements and other details of the investments. The primary objective is to achieve a reasonable total return on the assets, while limiting the risk exposure to ensure the preservation of capital.

Policies

The COMMITTEE will make investment decisions in accordance with the objectives stated above. The “prudent person rule” shall be the governing policy in making investments. These guidelines are not intended to restrict or impede the efforts of the COMMITTEE to attain the FUND objectives nor is it intended to exclude the COMMITTEE from taking advantage of appropriate opportunities as they arise. The COMMITTEE shall have discretion and flexibility to implement the objectives, policies and goals herein set forth.

The COMMITTEE shall not invest in private placement, letter stock, futures transactions, arbitrage and other uncovered options and shall not engage in short sales, margin transactions, or other similar specialized investment activities.

Asset Allocation

Because the securities markets may vary greatly throughout a market cycle, the COMMITTEE may change the asset mix of the FUND as long as that mix meets the overall objectives of and is consistent with the policy guidelines herein set forth. The FUND shall be allocated between appropriate asset classes as necessary to meet the primary objectives of the fund.

The target allocation among asset classes shall be determined periodically, and at least annually, by the COMMITTEE, in consultation with the investment manager(s), if there be any, to reflect a prudent response to current market conditions.

Investment Goals for the FUND

While maintaining the asset mix within the above guidelines, the COMMITTEE accepts a risk level for the FUND’S overall investment program that is intended to produce a total annual return adequate to cover these components: 1) expenditures from the FUND, 2) inflation, 3) growth of the FUND. Currently, The FUND’s management will seek to achieve the following specific goals:

- Allocating a percentage of the FUND as “available for expenditures,” as delineated in the Policy on Spending Guidelines
- Retaining a portion of the FUND equal to the average rate of inflation
- Retaining a portion of the FUND to provide for additional growth of the FUND
- Combining these elements, implying a target total return on the FUND’s assets

Generally, the investment performance will be measured over a 3- to 5-year period. Further, it is recognized that the rates assigned to the goals outlined above are subject to modification from time to time. The COMMITTEE shall review the assigned rates annually, but with due regard to the 3 to 5-year measurement period.

Adopted by action of the COMMITTEE this ____ day of _____, 20__.

[Name of parish]

Name of Chair of COMMITTEE

Signature of Chair of COMMITTEE

Attest:

Name of Secretary of COMMITTEE

Signature of Secretary of COMMITTEE

THE LEGACY FUND COMMITTEE
[name of parish]

SPENDING GUIDELINES

The Legacy Fund Committee of *[name of parish]* (herein called “COMMITTEE”) will administer the portfolio of the Legacy Fund of *[name of parish]*, (herein called the “FUND”) in accordance with these guidelines, as adopted and amended from time to time. These guidelines shall be reviewed at least annually by the COMMITTEE to determine whether they shall be amended or remain unchanged. The COMMITTEE may choose to employ an outside investment manager.

Allocations of funds available for distribution will be made in two general ways:

1. Upon written request of the VESTRY, and with the approval of the COMMITTEE (which approval shall not be unreasonably withheld), funds may be transferred to the Treasurer of *[name of parish]* for those uses that conform to the purposes and restrictions incorporated in the Plan of Operation adopted by the VESTRY on _____, 20__, as may have been amended from time to time.
2. As set forth in the Plan of Operation, the COMMITTEE may obligate monies for general expenses incident to the management and administration of the FUND. Extraordinary initiatives contemplated by the COMMITTEE to be undertaken for the FUND development will be approved by the VESTRY before implementation.

It is the goal of the COMMITTEE to provide for a reasonable and consistent level of expendable funds to be made available for the purposes established for those funds. At the same time, the COMMITTEE is committed to providing for the long-term growth of the FUND, at least at a level commensurate with inflation.

Expendable funds will be determined as follows:

Expendable funds from the permanently restricted funds will be determined on the basis of a total-return principle and will not be dependent upon income generated through interest or dividends.

The funds available for distribution during any one year will be limited to ___ % of the market value of the corpus, which value is determined by computing a ____-year rolling average, with measures

taken at the end of each calendar year on a specified date. The market values for this purpose will be taken net of the fees for investment management.

All other expenditures, from unrestricted or temporarily restricted funds, will be in accordance with donor restrictions or the Legacy Fund authorizing resolution.

Adopted by action of the COMMITTEE this ____ day of _____, 20__

[Name of parish]

Name of Chair of the COMMITTEE

Signature of Chair of the COMMITTEE

Attest:

Name of Secretary of the COMMITTEE

Signature of Secretary of the COMMITTEE