

## **Policy 443**

# **PERMANENT FUNDS POLICY**

## **First Christian Church of Corvallis, Oregon**

### **A Christian Church (Disciples of Christ) Congregation**

#### Definitions:

PFI: The following term, PFI, will be used throughout, to refer to the Permanent Fund income. The Permanent Fund income is the distribution income from the Permanent Fund investments held at the Christian Church Foundation (CCF), an agency of the Christian Church (Disciples of Christ). This amount is distributed electronically each quarter from the Christian Church Foundation.

#### I. Purpose

The primary purpose of the Permanent Funds is to expand the witness and mission of Jesus Christ, serving human needs in our community and around the world. It is not intended to compete with the regular annual giving of members nor to diminish the opportunities for responsible stewardship by present or future members.

All assets received by the Permanent Funds shall be considered permanent. "Income" from the Permanent Funds will be spent for ministry. Income will be received from the Permanent Funds through a quarterly distribution of Permanent Funds Income (PFI) from the Christian Church Foundation. The congregation will receive a quarterly withdrawal of income, as income is defined in the Joint Investment Trust with the Christian Church Foundation. (Christian Church Foundation will recommend the annual percentage of PFI to be distributed to the congregation. The percentage over time will assure that the buying power of the gift is maintained.)

#### II. Types of Gifts

Gifts to the Permanent Funds come in a variety of forms, including stocks, bonds, real estate, tangible property and cash. Gifts received in any form other than cash will be converted to cash at its fair market value as soon as is practical. On some rare occasions, the church may want to decline a gift to its Permanent Funds if conditions of the gift are not compatible with the current vision of the Church. Refusals need to be approved by the Board upon the recommendation of the Permanent Funds Trustees and Finance Cabinet.

All gifts designated for the Permanent Funds shall be considered permanent and, therefore, the principle cannot be spent. Unrestricted gifts in the form of bequests, life insurance, and the residual value of charitable trusts and charitable gift annuities will become part of the Permanent Funds. On some occasions, the Board may decide to redirect unrestricted gifts into other pressing projects or ministries based on the current vision of the Church.

Unless designated to the Permanent Funds, memorial gifts will be received and expended according to the Memorial Gifts Policy. Memorial gifts are monetary and material gifts given to the congregation designated in memory of a person.

### III. Permanent Funds Trustees

The Permanent Funds shall be managed by the elected Trustees of the congregation. The Senior Minister and Vice-President of Finance of the congregation will be ex-officio members. The responsibilities are:

- A. Meet regularly.
- B. Publicize the Permanent Funds to the congregation, sponsor “planned giving seminars”, contact prospective donors and promote other activities which will increase the Permanent Funds.
- C. Provide a written quarterly report from CCF to the treasurer for inclusion into the treasurer’s report. Annually prepare a list of new gifts received, income received and total value of the Permanent Funds to the Cabinets, Board, and Congregation.
- D. Trustees shall not have the responsibility for the expenditure of income from the Permanent Funds. The Treasurer will provide in the monthly treasurer’s report a statement of the income from the Permanent Funds to the Finance Cabinet and each Fall to the Program Cabinet. The Board of the congregation is responsible for expenditures according to Section IV, Income Distribution.
- E. Trustees shall have responsibility for investing the corpus of the Permanent Funds in one or more of the growth funds of the Christian Church Foundation. The intent of this policy is for most of the Permanent Funds to be invested with Christian Church Foundation. There may be cases in which some of the Permanent Funds are on deposit with Church Extension.
- F. Trustees shall have the responsibility of seeing that all gifts to the Permanent Funds be acknowledged, when appropriate, in the following manner:
  1. Letters of appreciation shall be sent from the Senior Minister, the President of the congregation and/or the Chair of the Trustees to the appropriate persons.
  2. A personal visit to the donor or appropriate family members and/or friends of the decedent will be made whenever possible.
  3. Announcement of the gift and appreciation should be made in a timely manner to the congregation through the church newsletter or other appropriate means.
  4. An annual publication, which includes a financial statement, list of prior and new gifts to the Permanent Funds and use of the distributed income, shall be developed and shared with the congregation.

5. An annual service/program to memorialize and celebrate the past year's gifts will be developed and implemented.

#### IV. PFI Distribution:

##### A. Restricted "income" will be distributed as follows:

1. The Board, upon recommendation of the Trustees, may establish named Permanent Funds that will extend into perpetuity for a specific purpose. "Income" from these Permanent Funds will be used for the stated purpose of the fund. "Income" not expended in any given year(s) will be retained in the appropriate PFI account in the Treasurer's report as available for spending.
2. Gifts received designating that the "income" will be used for a restricted purpose will become part of the Permanent Funds and the "income" will be distributed according to the donor's instructions. Otherwise, donations given to be used in their entirety for a restricted purpose will be governed by the Memorial Policy.

##### B. Unrestricted PFI is recommended to be distributed as outlined below. On some occasions, the Board may decide to direct PFI percentages to different allocations based on the current vision of the church.

1. 50% will be designated for outreach ministries consistent with the current vision of the church and transferred to the Program Cabinet for expenditure. These monies will not be considered as part of the regular budget expenditure for outreach causes. Regional programs, causes and direct donations to the regional office, or expenses and personnel associated with local church outreach may be considered outreach causes. Expenditures will be recommended by the Program Cabinet and approved by the Board.
2. 30% will be distributed by the Finance Cabinet and approved by the Board to any combination of the following:
  - a. reduction of outstanding debts on congregational properties;
  - b. capital purchases (defined as any item or group of interconnected items with a useful life of at least three years, is a tracked asset and costs at least \$3000);
  - c. any unrestricted or restricted named Permanent Fund (see Section IV.A above).
3. 20% will be distributed to a contingency account to be used for necessary unbudgeted items, not contemplated by, or beyond the capacity of, the operating budget. Expenditures will be recommended by the Finance Cabinet and approved by the Board.

## V. Amending Procedures:

Amendments and changes to this policy must be recommended to the Board by the Finance and Program Cabinets. The Board will make a final recommendation to amend, change or abolish this policy to an official business meeting of the congregation. Passage of the Board's recommendation at an official congregation business meeting requires a 2/3 affirmative vote of the members present and voting on such action. Written notice of the proposed action shall be announced at all regular Sunday services and also announced in two (2) consecutive issues of the Church newsletter at least two (2) weeks prior to the meeting.

## VI. Termination:

In the event that the First Christian Church of Corvallis, Oregon, should terminate its ministry, the assets of the Permanent Funds shall be transferred to the Christian Church Foundation, an agency of the Christian Church (Disciples of Christ), with instructions concerning distribution of future "income."

*Approved by Long Range Planning Committee, Business Cabinet & Executive Board on November 9, 1998.*

*Approved by the Congregation with a suggested amendment in Section I on November 29, 1998.*

*Approved by the Congregation as amended on January 31, 1999.*

*Updated by the Congregation on January 26, 2003*

*Updated by the Congregation on January 25, 2009*

*Revised version prepared by subcommittee of Long Range Planning, March 2015*

*Recommended by the Finance and Program Cabinets and recommended to the Congregation by the Board on June 1, 2015*

*Updated by the Congregation January 31, 2016*