

ST. JOHN'S EPISCOPAL CHURCH

PERMANENT ENDOWMENT FUND

BYLAWS

NOVEMBER 12, 2001

(Section 9.04 Amended 10/8/12)

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The following represents the bylaws of a permanent endowment fund established by, and for the benefit of St. John's Episcopal Church, 3507 Pine Street, Pascagoula, MS 39567.

Article I. NAMES AND DEFINITIONS

Section 1.01 The Fund

The name of the Fund shall be the "St. John's Permanent Endowment Fund", hereinafter referred to as "SJPEF" or "the Fund".

Section 1.02 The Church

The Parish of St. John's Episcopal Church shall be hereinafter referred to as "the Parish" or "the Church".

Section 1.03 The Diocese

The Diocese of Mississippi shall hereinafter be referred to as "the Diocese".

Section 1.04 The Trustees

The Trustees of the SJPEF shall hereinafter be referred to as "the Trustees".

Section 1.05 Other References

Wardens, Vestry members, and the Rector hereinafter referred to shall be understood to be those persons duly appointed to serve St. John's Episcopal Church.

Article II. MISSION STATEMENT

The St. John's Permanent Endowment Fund (SJPEF) is a separate fiscal entity sanctioned by the Diocese of Mississippi and supported by voluntary contributions of those included in the Body of Christ for the benefit of our parish and the support of its mission.

Article III. PURPOSE

This endowment ("the Fund") is a body of financial resources obtained by various means for the purpose of producing growth and income. Contributions to an endowment are not stewardship in the traditional sense of providing funds for operations or meeting budget requirements. Rather, these funds are used for religious education, establishing new outreach vehicles and for any other such purposes as the Trustees deem to be in the best interest of the parish.

Article IV. OBJECTIVES

Permanent Endowment Fund Trustees will abide by the wishes and restrictions, if any, of the donors to the SJPEF. Permanent Endowment Fund Trustees will exercise prudent fiduciary responsibility, in conjunction with established financial institutions, to produce growth and income for the benefit of the parish.

Article V. REPORTING REQUIREMENTS

The reporting requirements vis-a-vis the Fund made by the Trustees shall take the following forms, to wit:

Section 5.01 Annual Report

The Trustees shall submit a written report of the Fund's receipts, expenses, and investment performance for the previous period, to the communicants of the Parish during the annual Parish meeting.

Section 5.02 Quarterly Report

The Trustees shall submit a written report if there has been any significant fiscal activity during any specific quarter, of the Fund's receipts, expenses, and investment performance for the previous period, to the Wardens and Vestry on a quarterly basis, during the regularly scheduled Vestry meetings.

Section 5.03 Church Financial Statements

The Trustees shall provide full disclosure of all financial data vis-a-vis the Fund to the Church treasurer. This information will reflect the Fund as a designated account and/or sub-accounts in the Church's Statement of Assets and Liabilities, as well as the Church's Statement of Income and Expenses.

Section 5.04 Other Reporting Requirements

The Trustees shall also submit all required filings, tax returns, etc., (if any) as may be required by State or Federal Law.

Article VI. MAKEUP AND MEMBERSHIP - BOARD OF TRUSTEES

The Fund shall be governed and administered by a Board of Trustees, hereinafter referred to as "the Board", and other such persons as may be required to administer the assets of the Fund. The Board of Trustees shall consist of no less than three persons; these persons shall be designated as a Chairman, Vice Chairman, and a Financial Officer. Only those persons who are Parish Communicants of Record, maintain regular attendance, and tender an annual pledge to the Treasurer of the Parish, shall be eligible for membership on the Board of Trustees.

The duties, responsibilities, and privileges of each Trustee shall include, but not be limited to, the following:

Section 6.01 Chairman

The Chairman shall have, but not be limited to, the following responsibilities, to wit:

(a) Regarding Meetings:

Conduct all meetings of the Board of Trustees.

(b) Regarding Oversight:

Be responsible for overseeing and presenting all reports and correspondence to the Vestry, Rector, and the Parish.

(c) Regarding Investment Management:

Be responsible for overseeing the execution of Fund investment strategies and management of Fund assets.

(d) Regarding Fund Policies:

Developing Fund policies, and enforcing such policies as he/she deems appropriate.

(e) Regarding Other Duties:

Other functions and duties inherent to the wise administration of the Fund not otherwise specified above.

Section 6.02 Vice Chairman

The Vice Chairman shall have, but not be limited to, the following responsibilities, to wit:

(a) Regarding Meetings:

Act as recording officer for all meetings of the Board of Trustees.

(b) Regarding Record Keeping:

Maintain complete and current records of minutes of meetings, investment returns of Fund assets, and other such documents and records as may be required for administration of the Fund.

(c) Regarding Absences of Chairman:

Serve in the place of the Chairman in the absence of same.

(d) Regarding Other Duties:

Perform other such duties as assigned by the Chairman, Rector, or Vestry.

Section 6:03 Financial Officer

The Financial Officer shall, but not be limited to, the following responsibilities, to wit:

(a) Regarding Investments:

Act as the investment officer of the Fund.

(b) Regarding Fund Management:

Manage Fund assets in such a fashion as is consistent with the purposes and objectives of the Fund.

(c) Regarding Reporting Procedures:

Provide such information as is necessary regarding Fund assets and their investment performance to the Vice Chairman for completion of reports and other such documents as are required.

(d) Regarding Other Duties:

Perform other such duties as assigned by the Chairman, Rector, or Vestry.

Section 6.04 Ex-Officio Members of the Board

(a) Rector

The Rector of the Parish shall serve as an ex-officio, or nonvoting member of the Board of Trustees, and may serve as an emergency signatory on fund documents as circumstances may require.

(b) Senior Warden

The Senior Warden shall also serve as a non-voting member of the Board of Trustees and may serve as an emergency signatory on fund documents when circumstances may require.

Article VII. MISCELLANEOUS MEMBERSHIP ISSUES

Section 7.01 Potential Trustees

The Board of Trustees reserves the right to develop and maintain a list nominees for membership on the Board of Trustees from the Parish's list of tithing communicants.

Section 7.02 Nomination of Trustees

The Board of Trustees reserves the right to present and nominate tithing communicant(s) for membership on the Board to the Vestry.

Section 7.03 Addition of Trustees

The Board of Trustees reserves the right to nominate and add additional trustees (subject to the Vestry's approval) to the Board as they deem necessary for the good and proper functioning of the Fund.

Section 7.04 Assignment of Duties to Trustees

The Board of Trustees reserves the right to amplify, modify, and/or otherwise assign all duties and responsibilities of Fund management and execution within its membership.

Article VIII. TERMS AND CONDITIONS OF SERVICE

Section 8.01 Terms

Each member of the Board of Trustees shall serve a three (3) year term. Said term shall commence on January 1 -of the year preceding his or her selection by the sitting Board and approval by the Vestry. Each term shall conclude on December 31 of the third year after selection.

Section 8.02 Presentation to the Vestry

The Board of Trustees shall present to the Vestry a nominee for inclusion on the Board during the November Vestry meeting of each year. The person approved by the Vestry shall take his or her place on the Board of Trustees on January 1 following his or her approval.

Section 8.03 Staggered Terms

The make up of the Board shall be devised in such a way that only one new Board member will be selected per calendar year. Terms shall be staggered (per the following example) as follows: As Board Member A completes his/her third, year, Board Member B should be completing his/or her second year, and Board Member C should be completing his/her first year. The sitting Board

would nominate a new member; or reselect Board Member A, for a new three year term. This process would be repeated annually.

Section 8.04 Succession

Members of the Board of Trustees may be re-nominated to subsequent three year terms of service if they and the other Board members so desire and the Vestry so approves.

Section 8.05 Completion of Partial Terms

Should it become necessary for a Trustee to leave the Board, the remaining Trustees shall present a replacement to Vestry as soon as practicable. That person so nominated and approved, will complete the remaining term of the Trustee leaving the Board.

Section 8.06 Designation

Upon election to the Board of Trustees, a new member will serve their first year as Vice Chairman. Any member having completed his or her first year on the Board would then be eligible, at the Board's discretion, to serve as Financial Officer or Chairman. All appointments and assignment of duties shall be left to the discretion of the Board of Trustees.

Article IX. RESPONSIBILITIES VIS-A-VIS THE FUND

The Board of Trustees

The Board of Trustees shall have the following responsibilities vis-a-vis the Fund, to wit:

Section 9.01 Investment of Fund Assets

The Board shall have sole responsibility for choosing the appropriate vehicles for and executing the timely investment of Fund assets.

Section 9.02 Management of Fund Assets

The Board shall have the sole responsibility for monitoring performance of Fund assets and maintaining such records as consistent with the fiduciary responsibilities of the Board. The Board shall also be responsible for creating and maintaining the "allocation mix" of Fund assets between Debt, Equity, or Cash Equivalent investment options as general market and economic conditions, and Fund investment parameters, may dictate.

Section 9.03 Tax Reports and Other Filings

The Board shall have the responsibility to compile or otherwise direct the compilation and filing of any and all tax related documents as may be required by State or Federal law.

Section 9.04 Disbursement of Funds (amended 10/8/12)

The Board shall have the sole responsibility to disburse any monies from Fund assets as may be required, either by normal and customary expenses incurred by the Fund, or as directed by any gift or other endowment received by the Fund, and to disburse on an annual basis up to 3% of the balance of the unrestricted assets of the fund on record as December 31 of each year.

Section 9.05 Dual Signatories for Financial Transactions

The Board of Trustees shall establish all Fund accounts in such a fashion that any disbursement of monies from Fund assets require two authorized signatures. These signatory responsibilities shall reside with the Chairman, Vice Chairman, and Financial Officer. In cases of emergency, the Rector or Senior Warden may serve as one of the two signatories.

Section 9.06 Acceptance and Refusal of Gifts and Restrictions

The Board of Trustees shall receive all gifts, endowments, and other monies as may be designated for receipt by the Fund that are consistent with the purposes and objectives of the Fund. The Board shall also develop guidelines for receipt of these funds, their designation, and any restrictions that might apply to these gifts. The Board shall also determine in said guidelines such instances where the refusal of funds and the restrictions placed on said funds by a donor shall be prudent and not consistent with the purposes and objectives of the Fund.

The Vestry

The Vestry of the Parish of St. John's shall have the following responsibilities, vis-a-vis the Fund, to wit:

Section 9.07 Determining Parish Needs

The Vestry shall determine what needs, if any, the Parish might have that could be met with assets derived from the Fund.

Section 9.08 Receipt of Funds

The Vestry shall receive, on behalf of the Parish, any and all monies disbursed from the Fund by the Board of Trustees.

Section 9.09 Application of Funds

The Vestry shall apply all funds received from the Fund for use in Parish activities consistent with the bylaws of the Fund.

Article X. INVESTMENT REQUIREMENTS OF THE FUND

The following shall reflect the investment requirements of the Fund and the objectives pursued by the Trustees in administration of these Funds, to wit:

Section 10.01 Purpose

Assets from the Fund are to be used for religious education, establishing new outreach vehicles, and for such purposes as the Board of Trustees shall deem to be in the best interest of the parish.

Section 10.02 Objectives

Trustees will abide by the wishes and restrictions, if any, of the donors to the SJPEF. Trustees will exercise prudent fiduciary responsibility, in conjunction with established financial institutions, to produce growth and income for the benefit of the parish.

Section 10.03 Preservation of Corpus

The Trustees shall be guided at all times with an admonition to preserve the body of monies available to the Fund. The Trustees will take no actions regarding investment choices that will imperil Fund assets or otherwise violate the fiduciary responsibilities of the Trustees.

Section 10.04 Invasion of Principle

Invasion of the principle of Fund assets may only be done under dire emergencies for the sole purpose of preservation of the Parish. Such dire emergencies would only include catastrophic disasters or financial difficulties that would imperil the very existence of the Parish.

Section 10.05 Usage of Fixed Income Investments

The Trustees will primarily utilize, but not be solely restricted to, fixed income investments (e.g., US Treasury securities, certificates of deposit, bond oriented mutual funds, etc.) to produce income for the Fund and to preserve the principle of the Fund.

Section 10.06 Fiduciary Responsibility

Trustees will exercise their fiduciary responsibilities at all times to insure the attainment of the investment objectives (i.e., produce income and preserve principle) of the Fund.

Section 10.07 Investment Transactions

All investment transactions on behalf of the Fund shall require the signatures of two Trustees or one Trustee and/or the Rector or Senior Warden (in cases of emergency).

Article XI. BONDING AND LIABILITY

Section 11.01 Necessary Coverage. If Any

The Trustees of the Fund shall consult competent legal, tax, and insurance professionals, and/or members of the Diocesan staff, to determine what, if any, liability Trustees incur in the execution of their duties. Trustees will thus obtain and maintain any and all liability, errors and omissions, or other coverages as may be deemed reasonable and prudent.

Section 11.02 Premiums and Payments

Any premiums due as a result of maintaining liability or other coverage by the Trustees on behalf of the Fund shall be deemed normal and customary expenses of the Fund; funds for payment of said premiums may be disbursed from Fund assets.

Article XII. DISPOSITION OF FUNDS

Section 12.01 Dissolution

In the event of the dissolution of the Parish of St. Paul's, all assets of the Fund would revert in ownership and control to the Diocese of Mississippi.

Article XIII. CHANGES TO BYLAWS**Section 13.01 Substantive Changes**

Any changes, additions, deletions, or other substantial alterations to these bylaws are subject to the approval of the Wardens and Vestry of the Parish.

Article XIV. POLICY SUMMARY

Attached hereto and labeled-accordingly is a "policy summary" of the Fund which states in general terms the guidelines and practices that the Trustees of the Fund will follow as a standard course of action.

POLICY SUMMARY

All Planned Giving activities at St. John's Episcopal Church shall:

- Be undertaken under the policies and procedures of the Planned Giving Ministry as carried out in the Diocese of Mississippi;
- Be designed, to inform but never coerce donors concerning the possibilities of gift planning for them;
- Be fully supported in spirit and with technical assistance by the Rector, Vestry, Wardens, and Treasurer of St. John's Church;
- Include advocating the responsible use of planned gifts for the ministry and stewardship of the congregation;
- Include the formation of intentional gift acceptance policies and procedures, especially of restricted gifts and those of assets other than cash or commonly traded securities. These policies and procedures will include a timely recording of the resolution by which gifts are received, along with the particulars of each, who decides the conditions of particular gifts (i.e., taxes and insurance for gifts of real property), and how gifts of listed securities will be handled, and how gifts of life insurance will be handled;
- Seek the guidance of the Diocesan Planned Giving Officer regarding gifts which are complex or are funded by anything other than cash or commonly traded securities, or to obtain specific legal advice and counsel for the congregation, including second opinions and review of documents;
- Include the formulation of a policy for the planned giving effort itself, including who will authorize and train those who cultivate planned gifts, setting of the budget for materials and legal counsel, and describing the function and authority of the planned gift committee;
- Include the formulation of a policy for unrestricted gifts, and shall record such gifts' disposition in the minutes of the Vestry meetings;
- Honor donor confidentiality, and shall deny future participation in the congregation's planned giving program to those who violate this provision;
- Utilize volunteers in such a way that no personal financial interest on their part is created in any gift agreement.

**GIFT ACCEPTANCE POLICY
OF THE
ST. JOHN'S
PERMANENT ENDOWMENT FUND**

The following represents the intentional gift acceptance policy of the St. John's Permanent Endowment fund, hereinafter referred to as "the Fund", to wit:

- Any and all monies, gifts, bequests, marketable securities, etc., received and accepted by the Fund shall be incorporated into existing investment accounts established by the Board of Trustees of the Fund,
- Any and all monies, gifts, bequests, marketable securities, etc., received and accepted by the Fund may be segregated, at the Donor's direction, and the Board of Trustees' acceptance, into sub-accounts bearing such names or other designations as may be agreeable to both parties, e.g. "The John Doe Memorial Fund",
- Only those gifts, bequests, etc., and their stated restrictions, if any, that are consistent with the purposes and objectives of the bylaws of the Fund, will be accepted by the Fund,
- The Board of Trustees of the Fund shall accept only those restricted gifts, etc., that are designated for the furtherance of Christian education, new outreach vehicles, or other such purposes as the Trustees deem to be in the best interest of the parish.
- The Board of Trustees shall at all times comply with the directions of the Donor(s) vis-a'-vis restricted gifts, providing those directions are consistent with the objectives of the Fund as stated above,
- The Board of Trustees shall retain the authority to recommend to the Vestry the refusal of any and all gifts that in their judgment are not consistent with the objectives of the Fund,
- Any gifts, monies, etc., received by the Trustees on behalf of the Fund shall be acknowledged to the Donor, or the Donor's estate, in a timely fashion, by letter from the Rector and Senior Warden or Trustee; said letter shall include the appropriate documentation (e.g., copy of the resolution accepting the gift, a completed documentation for the endowment account form, etc.) for the Donor's benefit,
- Formal receipt of a gift by the Fund shall be reflected by a notation in the minutes of the next practicable meeting of the Board of Trustees; said resolution shall include the particulars of the gift, including but not limited to , the designation by name of the funds received, their restrictions, if any, and the purposes and intent of the gift by the Donor(s),
- The Board of Trustees shall communicate to the Vestry, as soon as practicable, the receipt of any gifts into the Fund, along with a copy of the Board's resolution regarding said gift, for action by the Vestry; said action to be reflected in the Minutes of the Vestry,

- The Board of Trustees may suggest that potential donors seek legal, tax, or investment advice or opinion when appropriate,
- The Board of Trustees may seek guidance of the Diocesan Planned Giving Officer regarding complex gifts when appropriate,
- Any contingency not specifically covered in these guidelines shall be left to the discretion of the Board of Trustees, and
- The governing document of actions taken by the Trustees of the SJPEF shall be the Bylaws of the Fund and the policy summary included therein.

RESOLUTION

WHEREAS, The St. John's Permanent Endowment Fund, hereinafter referred to as "the Fund", was created as a separate fiscal entity to accept; administer, and otherwise oversee those gifts, bequests, etc., left or made to St. John's Episcopal Church, and

WHEREAS, [ENTITY NAME], has expressed their desire to will, bequeath, gift, deed, grant, or otherwise endow the St. John's Permanent Endowment Fund, with the following:

[Name of asset, amount]

WHEREAS, the Trustees of the St. John's Permanent Endowment Fund, having otherwise reviewed the nature and basis of said gift, and the restrictions (if any) placed on said gift by the Donor(s), do hereby resolve the following, to wit:

- 1) RESOLVED, that the Trustees of the St. John's Permanent Endowment Fund have determined that the nature and substance of said gift is consistent with the objectives, nature, and purpose of the Fund, as set forth in the Bylaws of the Fund,
- 2) RESOLVED, that the Trustees of the Fund accept the gift of [nature of gift] on behalf of the Fund,
- 3) RESOLVED, that the Trustees of the Fund agree to create a separate sub account of Fund assets styled as [name of sub account], to segregate said gift,
- 4) RESOLVED, that the Trustees, on behalf of the Fund, do agree and submit to the following restrictions, vis-a'-vis the gift including:

[List of Restrictions]
- 5) RESOLVED, that the Trustees of the Fund will submit to the Rector, Wardens, and Vestry of St. John's Episcopal Church, a copy of this resolution requesting their acceptance of the actions and recommendations of the Trustees regarding this gift.