

OPP 3.8 – PERMANENT FUND

PURPOSE: This policy establishes the Round Rock Christian Church Permanent Fund. It also outlines the procedures for the receipt, disposition and use of bequests and special gifts to the Permanent Fund of Round Rock Christian Church.

PURPOSE OF THE PERMANENT FUND

The Permanent Fund of Round Rock Christian Church (RRCC) is established to expand the witness and mission of Jesus Christ and to serve the human needs in our community and around the world. The Permanent Fund provides a means for bequests and special gifts that enable RRCC to expand its ministry in ways beyond which the general budget of the church would allow. The Permanent Fund (Fund) is *not* intended to compete with, replace, or in any way diminish regular annual giving and responsible stewardship by present or future members.

PERMANENT FUND TRUSTEES

The Permanent Fund of Round Rock Christian Church is managed by six (6) trustees. They are the Vice Moderator (in his role as the Administrative Team Leader), the two Church Trustees that are members of the Administrative Team, the Treasurer and two active members at large appointed by the Moderator. Terms of the active members at large will be two years with no more than four consecutive years. One of the members at large will act as Chair of the Permanent Fund. The Senior Minister and Moderator are ex-officio members without voting privileges.

RESPONSIBILITIES OF THE TRUSTEES

Meet quarterly. Select and utilize, with the approval of the Guiding Board, an external, independent fund management firm to invest the body of the Fund. Publicize the Fund to the Congregation. Sponsor planned giving seminars. Contact prospective donors. Perform any other activities that encourage growth of the Fund. Allocate Fund Income according to that indicated in the DISTRIBUTIONS Section of this policy.

The Trustees will provide an annual written report to the Guiding Board and the Congregation that includes:

- A list of new bequests and gifts received.
- Fund investment transactions and performance.
- Amounts distributed.
- Total value of the Fund at year-end.

BEQUESTS AND GIFTS

All assets received by the Fund are considered permanent and the property of the Fund. Each annual fiscal period, income may be distributed from the Fund for ministry. For this policy, distributable “income”, after a provision for external investment management fees, consists of:

- No more than 90% of the dividends and interest earned on investment of the Fund, OR an annual withdrawal of a percentage of the Fund’s portfolio market value as determined by unanimous agreement of the Fund’s trustees such that the purchasing power of the Fund’s original gifts are maintained.
- Bequests and gifts to the Fund can be in the form of stock, bonds, real estate, tangible property, or cash, and may be designated as restricted or unrestricted. Bequests and gifts

received in any form other than cash may be converted to cash at its fair market value as soon as is practical.

In the event the Fund Trustees believe it is inappropriate to accept a bequest or gift, a recommendation for refusal will be presented to the Guiding Board for final action.

DISTRIBUTIONS

Restricted Bequests and Gifts

The income from bequests or gifts of \$10,000 or greater may be restricted for a specific purpose and will be accepted as such so far as practical. If the designated purpose for which the bequest or gift is restricted has been achieved or the need no longer exists, the bequest or gift will, on the advice of the Fund trustees, and, if possible, after consultation with the donor, be considered an unrestricted gift.

Unrestricted Bequests and Gifts

Eighty percent (80%) of the distribution from unrestricted income will be designated for the following uses upon the recommendation of the Administrative Team and approval by the Guiding Board:

- No less than five percent (5%) for operational ministries.
- No less than ten percent (10%) for outreach ministry.
- No less than five percent (5%) for capital assets and improvements and/or the retirement of debt(s) on church property.
- No less than five percent (5%) for regional programs and causes.
- Twenty percent (20%) of the distribution from unrestricted income will be designated as a reserve to the general operating budget for the upcoming fiscal year and any remaining reserve amount at the end of the fiscal year will be transferred to the general operating budget accumulated surplus account.

AMENDING PROCEDURE

This OPP may be amended by a majority vote of the Guiding Board upon published notice of proposed changes to the Board members at least two weeks prior to the Guiding Board meeting.

TERMINATION OF THE PERMANENT FUND

In the event that Round Rock Christian Church (Disciples of Christ) should terminate its ministry in accordance with its Constitution and Bylaws, the assets of the Permanent Fund shall be transferred to the Christian Church Foundation, Inc. of the Christian Church (Disciples of Christ) with instructions concerning distribution of future income.

AUTHORITY: Section C of the Constitution of Round Rock Christian Church and Section VI of the Bylaws of Round Rock Christian Church. The Trustees hold title to all trust funds of the church and the Administrative Team administers the finances of the church.

EFFECTIVE DATE

December 17, 2007

LAST REVIEW DATE

October 14, 2010