

**The Vestry of Hickory Neck Episcopal Church  
8300 Richmond Road  
Toano, Virginia 23168**

**Resolution Establishing the HICKORY Neck Church Covenant Endowment  
Fund**

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind—time, talents, the created world and money, Including accumulated, inherited and appreciated assets; and

WHEREAS, Christians can give to the work of the Church through a variety of gift vehicles, in addition to cash; including securities, bequests in wills, charitable remainder trusts, and other life income gifts, other trusts, life insurance policies, real estate, and other property; and

WHEREAS, it is the desire of this parish to encourage, receive, and administer these gifts in a manner faithful to the loyalty and devotion to God expressed by the donors, and in accord with the canons of the Episcopal Church and the Diocese of Southern Virginia, and the policies of this parish:

THEREFORE BE IT RESOLVED, that in addition to our other policies concerning restricted and unrestricted gifts, this parish, through action of its Vestry, establishes a new and separate fund to be known as the HICKORY NECK CHURCH COVENANT ENDOWMENT FUND (hereafter called the “COVENANT FUND”) OF HICKORY NECK EPISCOPAL CHURCH; 8300 Richmond Road, Toano, Virginia 23168 (hereafter referred to as “HICKORY NECK CHURCH”);

BE IT FURTHER RESOLVED, that the purpose of this COVENANT FUND is to enable HICKORY NECK CHURCH to more completely fulfill its mission by developing its ministries beyond what is possible through its annual operating funds, and therefore distributions from the fund shall be limited to (i) capital needs of HICKORY NECK CHURCH, (ii) outreach ministries and grants, (iii) seed money for new ministries and special one-time projects, and (iv) such other purposes as are specifically designated by donors to HICKORY NECK CHURCH whose gifts are to be included in the COVENANT FUND;

BE IT FURTHER RESOLVED, that distributions from the COVENANT FUND shall not be made to the operating budget of HICKORY NECK CHURCH;

BE IT FURTHER RESOLVED, that the HICKORY NECK COVENANT ENDOWMENT FUND BOARD (hereafter called the “ENDOWMENT BOARD”) shall be the custodian of the COVENANT FUND;

BE IT FURTHER RESOLVED that the following PLAN OF OPERATION sets forth the administration and management of the COVENANT FUND:

## **Plan of Operation**

### ***1. The ENDOWMENT BOARD***

The ENDOWMENT BOARD shall consist of five members, all of whom shall be members in good standing of HICKORY NECK CHURCH; they shall be appointed by the Vestry. Additionally, the Rector and senior warden shall be ex-officio members of the ENDOWMENT BOARD. Except as herein limited, the term of each member shall be three (3) years. Upon adoption of this resolution, two (2) members shall be appointed for a term of three (3) years; two (2) members 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 years. No member shall serve more than two consecutive three (3)-year terms. After a lapse of one (1) year, former ENDOWMENT BOARD members may be reappointed. In the event of a vacancy on the ENDOWMENT BOARD 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 (3)-year term.

The role of the ENDOWMENT BOARD shall be to oversee the management of the invested funds and the distributions from the COVENANT FUND in compliance with the approved spending rules and in accordance with the purposes as defined in this resolution.

The ENDOWMENT BOARD shall meet physically or electronically at least quarterly, or more frequently as deemed by it in the best interest of the COVENANT FUND.

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

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

The recorder shall maintain complete and accurate minutes of all meetings of the ENDOWMENT BOARD and supply a copy thereof to each member of the ENDOWMENT BOARD. Each member shall keep a complete set of minutes to be delivered to his or her successor. The recorder 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 COVENANT FUND. At the discretion of the Vestry, the books may be audited annually by a certified public accountant or other qualified person. Such person shall not be a member of the ENDOWMENT BOARD.

The ENDOWMENT BOARD 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 COVENANT FUND during the preceding year.

The ENDOWMENT BOARD, at the expense of the COVENANT FUND, may provide for such professional counseling on investments or legal matters as it deems to be in the best interests of the COVENANT FUND.

Members of the ENDOWMENT BOARD 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 interests would conflict with the interest of the FUND.

All assets are to be held in the name of THE HICKORY NECK CHURCH COVENANT ENDOWMENT FUND. 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 delegated member of the ENDOWMENT BOARD.

### ***2. Acceptance of gifts to the Covenant Fund***

In the absence of a Gift Review Policy of the Parish, the ENDOWMENT BOARD will establish a Gift-Review Policy through which the decision is made as to whether a gift to the COVENANT 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, there will be conducted a careful review to determine whether the best interests of the congregation are served by accepting or rejecting the gift. Guidelines for conducting such a review shall be incorporated in the Gift Review Policy.

### ***3. Distributions from the Covenant Fund***

The funds available for distribution during any one year will be limited to five percent of the market value of the COVENANT FUND, which value is determined by computing a three year rolling average at the time the distribution is made. Until the fund has been in existence for three years, the five percent will be based on the average value at the time the distribution is made.

### ***4. Amendment of these resolutions***

Any amendment to these resolutions 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 these resolutions.

**5. Disposition or transfer of COVENANT FUND**

In the event HICKORY NECK CHURCH ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the FUND shall be at the discretion of the Vestry in conformity with the approved congregational by-laws and in accord with diocesan canons and the Bishop of the Diocese of Southern Virginia.

The foregoing resolutions are hereby ADOPTED by the Vestry this \_\_\_\_ day of \_\_\_\_\_, 2008.

HICKORY NECK CHURCH

\_\_\_\_\_ (print name)

\_\_\_\_\_ (signature)

Senior Warden

Attest:

\_\_\_\_\_ (print name)

\_\_\_\_\_ (signature)

Register