

# DRAFT

27 June 2014

## Chapter Approved Cathedral Policies

12 October 2002 to Present

The Chapter of St. Paul's Cathedral has established formal policies which guide its actions in a number of areas. These policies are moved, seconded, and approved by the Chapter. In addition, other procedures are occasionally developed that are not approved by the Chapter but do, in practice, provide guidance. They are followed as guidelines or de facto policies.

The Cathedral has not compiled these policies in managed record apart from the Chapter minutes that documents the adoption of each policy. The following are the Cathedral policies approved since 12 October 2002. They were extracted from the Chapter minutes covering that period. The date of the Chapter meeting when each policy was approved is noted.

1. **Policy:** St. Paul's Cathedral Archives Policy. See Attachment 1.  
**Approved:** 29 October 2002.
2. **Policy:** 'At present, all Cathedral checks require two signatures. In order to more efficiently manage the Accounts Payable functions, it is proposed that Cathedral checks of \$1,000.00 or less require one signature and that those over \$1,000.00 require two signatures. Further, the following are proposed as authorized check signers: (TVR) Scott E. Richardson, Jack Lentz, Robert C. Reed, and Marian Gaston.'  
**Approved:** 27 July 2004.
3. **Policy:** 'From time to time, the Cathedral receives gifts of stock or other marketable securities. In general, for gifts other than to the endowment, it is the policy of the Cathedral to liquidate securities and to apply the proceeds to either a pledge or to a specific fund, as directed by the donor. It is proposed that the Cathedral Administrator be authorized to initiate such sales transactions.'  
**Approved:** 27 July 2004.
4. **Policy:** St. Paul's Cathedral Proposed Strategic Development Plan Commencing January 2005. (A text of the document is not part of the minutes.)  
**Approved:** 25 January 2005.
5. **Policy:** 'It was moved, seconded, and unanimously approved that for certain Cathedral accounts signature authority granted and signature cards be processed as follows:
  - a. Operating Account, Special Funds, Restoration Fund, and Pledge Transit Account: Dean Richardson, Cathy Hopper, Jack Lentz, Ken Tranbarger, Jim Greer, Guin Kerstetter, and Bob Reed. Checks from these accounts require only one signature for amounts not greater than \$1,000.

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b. Columbarium Perpetual Care Fund: Dean Richardson, Jim Greer, Pam Surko, and Guen Kerstetter.

c. Endowment/MacKenzie Fund: Dean Richardson, Jim Greer, Pam Surko, Guen Kerstetter, and Bob Reed.'

**Approved:** 31 May 2005.

6. **Policy:** Endowment Fund Management Policy & Endowment Fund Board Plan of Operation. See Attachment 2.

Approved: 28 June 2005.

7. **Policy:** Policy on Peace and Justice Issues. See Attachment 3.

**Approved:** Note: The policy was not formally moved, seconded, and approved by the Chapter.

8. **Policy:** Vision for the Future, A proposal to Chapter to proceed with the Dorcas House Project. See Attachment 4.

**Approved:** 25 April 2006.

9. **Policy:** Pastoral Directive from Bishop Mathes. See Attachment 5.

**Approved:** 25 April 2006.

10. **Policy:** St. Paul's Cathedral Re-establishment & Management of Endowment Funds Adopted by the Chapter on 28 June, 2005 and revised on 27 June, 2006. See Attachment 6.

**Approved:** 27 June 2006.

11. **Policy:** Policy Regarding the Disposition of Undesignated Bequests. See Attachment 7.

**Approved:** 6 February 2007.

12. **Policy:** Policy Regarding the Disposition of Undesignated Gifts. See Attachment 8.

Approved: 6 February 2007.

13. **Policy:** Fundamental Immigration Principles. See Attachment 9.

**Approved:** 1 May 2007.

14. **Policy:** Revised Endowment Committee Charter. See Attachment 10.

**Approved:** 7 November 2007.

15. **Policy:** 'Vacation policy – A proposal was made that Cathedral employees not accrue more than two years leave.'

**Approved:** 4 December 2007.

16. **Policy:** Revised Cathedral Investment Policy. See Attachment 11.

**Approved:** 11 May 2010.

17. **Policy:** Revised Undesignated Gift Policy. See Attachment 12.

**Approved:** 11 January 2011.

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18. **Policy:** 'The Cathedral's wedding policy was changed to require that the bride and groom have a closer relationship with the Cathedral than before.'

**Approved:** 4 October 2011. Note: This policy was announced by the Dean. It was not formally moved, seconded, and approved by the Chapter.

19. **Policy:** 'Endowment funds shall be invested 70% in equity and 30% in fixed income investments.'

**Approved:** 6 March 2012.

20. **Policy:** 'The Endowment Committee shall report to Chapter at the Chapter's May and November meetings each year. Also, distribution of endowment funds to the Cathedral shall be based on a 12-month average investment return.'

**Approved:** 3 April 2012.

21. **Policy:** 'A policy was established that the Sole Member of St. Paul's Senior Homes shall meet quarterly.'

**Approved:** 2 October 2012.

22. **Policy:** 'A policy was established that the Sole Member of the Nutmeg and Olive, LLC shall meet quarterly.'

**Approved:** 3 September 2013. The decision to follow this policy was in accordance with the consensus of the Chapter. Note: The decision was not formally moved, seconded, and approved by the Chapter.

23. **Policy:** 'The Cathedral Chapter authorized the Dorcas House Committee receive the following:

- A five-year draw on the Hopper Fund as proposed on the spreadsheet provided as Attachment 13.
- A five per cent draw on the Hopper Fund for fiscal year 2013.'

**Approved:** 5 November 2013.

24. **Policy:** Cathedral Health Plan Policy. See Attachment 14.

**Approved:** 4 February 2014.

25. **Policy:** Credit Card Policy. See Attachment 15.

26. **Approved:** May 2014. Note: This policy was developed and approved by the Finance Committee. Technically, it is not a Cathedral policy since it was not formally approved by the Chapter.

27. **Policy:** PACEM Funds Policy. See Attachment 16.

**Approved:** 3 June 2014.

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## Attachment 1

### St. Paul's Cathedral

#### Archives Policies

Recognizing the importance of its official records and other items documenting its history, and of conserving space and staff time by selecting out materials of long-term value from the mass of material that may properly be discarded, the Dean and Chapter have established the St. Paul's Cathedral Archives, under the direction of a Cathedral Archivist appointed by and responsible to the Dean.

All clergy and staff with administrative responsibilities are requested to take appropriate notice of the following policies governing the Archives:

1. The records produced or received by offices, and by clergy and staff acting in an administrative capacity, as well as the records of the Cathedral and its predecessors in its possession as of the date of the adoption of these policies, are the property of St. Paul's Cathedral.
2. The person in charge of the office where records accumulate shall determine when such records cease to have current administrative value. Such records may then be transferred either to a temporary storage area or directly to the Cathedral Archives. The Archivist will then determine which records may have long-term legal, fiscal or historical value. In accordance with current law, diocesan records schedules, standard archival practice and the potential historical interest of the records, the Archivist will select, organize and preserve those of long-term value and discard those unsuitable for preservation.
3. At the time of transfer the Archivist will work with the office transferring the records to determine and special restrictions or conditions of access. It is understood that, in the absence of specific restrictions, all materials held in the Cathedral Archives may be made available to researchers inside or outside the Cathedral.
4. The Archivist will provide staff with regularly updated inventories of and finding aids to the contents of the Cathedral Archives. The office of origin or the Dean or his/her representative may withdraw records at any time. The Archivist shall keep a running record of all materials withdrawn.
5. Until further notice, access to the following records will be restricted and not made directly available to outside researchers absent instructions from the Dean:
  - (a) Personnel records.

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(b) Sacramental records volumes whose latest entry is less than 72 years old.

(c) Vestry and Chapter minutes whose latest entry is less than 40 years old.

6. Routine requests for evidence in sacramental records volumes (baptisms, confirmations, marriages, deaths) will continue to be handled by staff from card files in the office. Other requests for historical information should be directed to the Archivist. Requests for information in restricted records should also come to the Archivist, who will determine, after consultation, whether such information can and should be provided.

7. Materials in the Cathedral Archives may not leave the Cathedral complex except as needed for specialized conservation, photoreproduction, or through loans to responsible institutions. In the event that materials are to be microfilmed for any purpose, by written agreement the master copy of the microfilm and all rights over its content and use must remain with the Cathedral.

8. Access to materials in the Cathedral Archives is available to all clergy, staff and members of St. Paul's Cathedral. Such materials may also be made available to qualified researchers on application to the Cathedral Archivist. Researchers must agree to abide by the rules and regulations of the Cathedral Archives. Permission to use the materials does not imply permission to publish, which must be sought separately.

9. Space permitting, the Cathedral Archivist may arrange to hold the records of organizations associated with the Cathedral. Such records will be held on a depository basis, on terms agreed upon in writing at the time they are deposited. Such materials will remain the property of the originating organization unless accompanied by deed of gift.

10. The Dean and Chapter may make provision for appropriate space, capital equipment, materials and other costs of maintaining the Cathedral Archives in annual or capital budgets. The Dean may approve any fee schedule for services provided to outside researchers.

11. The Dean, in consultation with the Archivist, may from time to time approve such further regulations and directives as may be appropriate.

Approved by Chapter on 29 October 2002

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## **Attachment 2**

St. Paul's Cathedral

Draft Proposed Resolution for Consideration by the Chapter

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind – time, talent, 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 the Cathedral to encourage, receive, and administer 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 San Diego and the policies of this Cathedral; and

WHEREAS, it is the desire of the Chapter of St. Paul's Cathedral to update its investment policies and procedures;

THEREFORE BE IT RESOLVED, that the Cathedral, through action of this Chapter, recognizes and re-establishes the McKenzie Humanitarian Fund, the Los Angeles Sick and Destitute Fund, and the Endowment Fund of St. Paul's Cathedral (hereinafter collectively referred to as "the several Funds"); and

BE IT FURTHER RESOLVED, that the purpose of the McKenzie Fund and Los Angeles Sick and Destitute Fund is to enable the Cathedral to more completely fulfill its mission by developing ministries beyond what is possible through its other sources of income, and therefore distributions from these funds shall be limited to (i) outreach ministries and grants, (ii) start-up grants for new outreach ministries that the Cathedral from time to time may initiate, and (iii) such other purposes as are specifically designated by donors whose gifts have been included in either of these Funds or may be included in the future; and

BE IT FURTHER RESOLVED, that the purpose of the Endowment Fund of St. Paul's Cathedral is to enable the Cathedral to more completely fulfill its mission by developing ministries beyond what is possible

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through its other sources of income, and therefore distributions from these funds shall be limited to (i) building improvements, renovations, enhancements, and expansions, (ii) grants for special one-time projects related to the Cathedral's fabric, furnishings, and capital equipment, and (iii) such other purposes as are specifically designated by donors whose gifts have been included in the Fund or may be included in the future; and

BE IT FURTHER RESOLVED, that distributions from any and all of the Funds named above shall not be made to the operating fund or included in the annual budget of the Cathedral except only insofar as they support such operating expenses as are consistent with the purpose of the several Funds as described above; and

BE IT FURTHER RESOLVED, that any distribution from the principal of any of the several Funds named above be made only upon a vote by a 2/3 majority of the Chapter, either present or polled, meeting in regular or special session; and

BE IT FURTHER RESOLVED, that the Chapter hereby discharges the Investment Committee with many thanks for the dedicated and expert service of its members over the past several years; and

BE IT FURTHER RESOLVED, that the Cathedral, through action of this Chapter, hereby establishes an Endowment Fund Board (hereafter called the "Board") and charges said Board with the custody and management of the Funds named above;

BE IT FURTHER RESOLVED, that all the actions indicated in this resolution shall take effect as of the first day of January 2006, except that provisions concerning the amount of distributions from the McKenzie Fund shall take effect no later than the first day of January 2007 with distributions from that Fund in 2006 being equivalent to 100% of its earnings during 2005, and that provisions concerning the amount of distributions from the Los Angeles Sick and Destitute Fund shall take effect no later than the first day of January 2008 with distributions from that Fund in 2006 and 2007 being equivalent to 100% of earnings during 2005 ; and

BE IT FURTHER RESOLVED, that the following Plan of Operation sets forth the administration and management of the several Funds:

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## PLAN OF OPERATION

### 1. The Endowment Fund Board

**The Board** shall consist of at least five members and no more than nine members, all of whom shall be members in good standing of the Cathedral; they shall be appointed by the Chapter. Additionally, the Dean and Wardens shall be members *ex officio* of the Board. Upon adoption of this resolution, two members shall be appointed for a term of three years, two members for a term of two years, and one member for a term of one year. Thereafter, on an annual basis, the Chapter shall appoint the necessary number for a term of three years. No appointed member shall serve more than two consecutive three-year terms. After a lapse of one year, former Board members may be reappointed. In the event of a vacancy on the Board, the Chapter shall appoint a member to complete the unfulfilled term, upon the completion of which that person is eligible for reappointment to a three year term.

The Board shall meet at least quarterly or more frequently as deemed by it in the best interests of the several Funds.

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

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

The Secretary shall maintain complete and accurate minutes of all meetings of the Board and supply a copy thereof to each member of the Board. 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 Chapter in a timely manner.

The Treasurer of the Cathedral shall cause to be maintained complete and accurate books of account for the several Funds. At the discretion of the Chapter, the books may be audited annually by a certified public accountant. Neither the Treasurer of the Cathedral nor the auditor of the Funds shall be a member of the Board.



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The Board shall report on a quarterly basis to the Chapter and, at each annual meeting of the Cathedral congregation, shall render a full and complete account of the administration of the Funds during the preceding year, including contributions, distributions, earnings, fees, and fluctuation in evaluations.

The Board, at the expense of the several Funds, may provide for such professional counseling on investments or legal matters as it deems to be in the best interests of the Funds.

Members of the Board shall be liable for any acts or omissions committed by them 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 Funds in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of any of the Funds.

All assets are to be held in the names of the respective Funds. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the several Funds, 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 Board or investment manager appointed by the Board.

## 2. Acceptance of Gifts to the Several Funds

A Gift Review Policy shall be established through which the decision is made as to whether a gift to any of the several Funds 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 Cathedral, there will be conducted a careful review to determine whether the best interests of the Cathedral are served by accepting or rejecting the gift.

From the date that this Plan of Operation goes into effect and until the Endowment Board adjusts the amount, the minimum contribution for a designated fund within any of the several Funds shall be set at \$10,000.

## 3. Distributions from the Several Funds

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It is the intent of this resolution that the several Funds shall be managed as true endowments employing the restriction that the principal shall not be invaded; therefore, distributions from any and all of the several Funds shall be made only from dividends and interest earned during the fiscal year preceding the year of distribution and according to a percentage of said earnings determined on an annual basis by the Endowment Board. No distribution shall be made from any of the several Funds which shall reduce the total asset value of the Fund to an amount lower than that held by the Fund as of twelve months prior to the proposed distribution. The Board shall formulate a policy defining the spending rules and protocols, with the approval of the Chapter, that will provide for the withdrawal and use of funds consistent with the stated purposes of the several Funds as defined in the first section of this resolution. All transfers and withdrawals from the several Funds shall require prior written approval by two of the following: The Dean, the Dean's Warden, the People's Warden, the Clerk of the Chapter, and the Treasurer.

## 4. Investment of the Funds

At the time of the adoption of this resolution and continuing through the end of the calendar year 2006, the Endowment Fund Board shall continue to follow the Investment Policy in use by the Investment Committee at the time of its discharge. Thereafter, the Endowment Fund Board may propose to the Chapter and the Chapter may approve either amendments to the standing Investment Policy or a new Investment Policy within the following parameters: the Investment Policy of the Cathedral shall require that the Board include in the corpus of each of the several Funds both instruments intended to provide current income and instruments intended to provide capital appreciation. At no time after the first day of January 2007, shall the Board invest less than 33% nor more than 67% of each of the corpuses of the several Funds in instruments intended to produce income.

## 5. Amendment of these Resolutions

Adoption of this resolution supersedes any previous "Statement of Investment Policy." Any amendment to these resolutions shall be adopted by a vote of at least two-thirds of the membership of the Chapter at a regularly scheduled meeting or at a special meeting call specifically for the purpose of amending these resolutions.

## 6. Disposition or Transfer of the Funds

In the event that St. Paul's Cathedral ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the Funds named herein shall be at the discretion of the Chapter in conformity with the Cathedral's Articles of Incorporation and By-laws and in accord with diocesan canons and the Bishop of San Diego.

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The foregoing resolutions are hereby adopted by the Chapter this \_\_\_\_\_ day of \_\_\_\_\_ 2005

Signatures of Dean and Wardens:

Attest:

Clerk of Chapter

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## **Attachment 3**

Chapter Policy on Peace and Justice Issues

Adopted November 2005

### Process and Format for Submission of Peace and Justice Policies

The following is the minimum that must be part of any proposal for adoption by the Chapter of St. Paul's Episcopal Cathedral as a policy statement on a Peace and Justice issue. Nothing in this process is intended to inhibit any individual clergy, staff or member from expressing a personal commitment to a position.

A proposed policy paper, written in resolution format, is submitted to the Dean that contains, as a minimum, the following elements. The Dean may refer the proposal back for further study or submit it to the Chapter for consideration.

Describe, generally, the Peace and Justice issue that is being presented to the Chapter for consideration.

What is the position of the National Church found in the resolutions of the Triennial Convention?

Describe in detail the research that was collected and examined relative to the specific Peace and Justice issue. Attach any relevant research.

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## Attachment 4

### Chapter Resolution

#### Dorcas House

The Chapter of The Cathedral Church of St. Paul, having reviewed the report of the ad hoc committee appointed to report thereon, and having discussed the issues relating to the Dorcas House project, which project consists of relationships with Dorcas Ministries, Inc., a 501(c)3 organization headquartered in California, and Vida Joven de Mexico, and Asociacion Civil (AC) headquartered in Tijuana, Mexico, and upon motion, duly made and seconded,.

#### Resolved:

The Chapter of The Cathedral Church of St. Paul (the "Cathedral") establishes a committee to be known as Dorcas House (the use of such name being subject to licensing agreements), which committee shall be appointed by the Dean and tasked to negotiate, on behalf of the Cathedral, two separate agreements.

- A one-year agreement between the Cathedral and Dorcas Ministries to license their name, use their fund raising lists, and agree to raise funds to support Dorcas House operated by Vida Joven de Mexico
  - A one-year agreement between the Cathedral and Vida Joven de Mexico with the following elements.
  - Agree that the Cathedral has no authority over the operations of Vida Joven, and that the-Cathedral and Vida Joven are entirely separate entities, independent of one another, and As a predicate to the effectiveness of the agreement, and at all times during the effective dates of any agreement, Vida Joven will obtain, from an insurance company authorized to conduct business in the Republic of Mexico, public liability, fire, officers and directors and such other insurance as is commonly and appropriately carried by similar private institutions in Baja California.
  - So as to provide for a continuation of its independent governance, Vida Joven will recruit a board consisting of Mexican nationals.
  - Vida Joven will contract with a licensed Mexican architectural firm to assess for safety issues and compliance with local regulations and statutes and thereafter implement such reports as the board of Vida Joven shall deem appropriate.
  - The Cathedral will attempt to raise the funds necessary for Vida Joven to operate based on a budget submitted by that organization, such budget to provide for implementation of any for

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changes recommended by the architectural firm engaged to recommend compliance with local regulations and statutes.

Resolved Further,

Before any such agreements become effective, they must have been approved by the Dean, the Dean's Warden, the People's Warden, and the Cathedral Chancellor. Resolved Further, the Dorcas House Committee is to make regular reports to the Chapter.

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## **Attachment 5**

### **RESOLUTION**

#### **The Chapter of the Cathedral Church of St. Paul 25 April 2006**

**WHEREAS**, the Bishop of San Diego has directed rectors, on pain of inhibition or disposition, to avoid any effort to lead their parish into secession from the Diocese or to assist vestries in doing so or to benignly tolerate others in doing so, and

**WHEREAS**, the Bishop has asked rectors to provide him with various parish documents and information by 20 May 2006, and

**WHEREAS**, the Chapter of the Cathedral Church of St. Paul has no intention of leading its congregation into secession or permitting others to do so and believes the Bishop's request for materials reasonably supports his oversight responsibilities, and

**WHEREAS**, the Chapter of the Cathedral Church of St. Paul supports the Bishop of San Diego in his efforts to provide unambiguous leadership in these difficult times and to protect the assets of the churches in this diocese for the benefit of the mission work of the Episcopal Diocese of San Diego.

**THEREFORE, BE IT RESOLVED** that the Chapter of the Cathedral Church of St. Paul supports the Dean's full compliance with the Bishop's Pastoral Directive of 19 April 2006, and

**BE IT FURTHER RESOLVED** that the Chapter respectfully calls on its fellow parish vestries and governing boards to comply fully with the Bishop's Pastoral Directive.

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## **Attachment 6**

**St. Paul's Cathedral**

**Re-establishment & Management of Endowment Funds**

**Adopted by the Chapter on 28 June, 2005**

**and revised on**

**27 June, 2006**

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind – time, talent, 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 the Cathedral to encourage, receive, and administer 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 San Diego and the policies of this Cathedral; and

WHEREAS, it is the desire of the Chapter of St. Paul's Cathedral to update its investment policies and procedures;

THEREFORE BE IT RESOLVED, that the Cathedral, through action of this Chapter, recognizes and re-establishes the McKenzie Humanitarian Fund, the Los Angeles Sick and Destitute Fund, and the Endowment Fund of St. Paul's Cathedral (hereinafter collectively referred to as "the several Funds"); and

BE IT FURTHER RESOLVED, that the purpose of the McKenzie Fund and Los Angeles Sick and Destitute Fund is to enable the Cathedral to more completely fulfill its mission by developing ministries beyond what is possible through its other sources of income, and therefore distributions from these funds shall be limited to (i) outreach ministries and grants, (ii) start-up grants for new outreach ministries that the Cathedral from time to time may initiate, and (iii) such other purposes as are specifically designated by donors whose gifts have been included in either of these Funds or may be included in the future; and



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BE IT FURTHER RESOLVED, that the purpose of the Endowment Fund of St. Paul's Cathedral is to enable the Cathedral to more completely fulfill its mission by developing ministries beyond what is possible through its other sources of income, and therefore distributions from these funds shall be limited to (i) building improvements, renovations, enhancements, and expansions, (ii) grants for special one-time projects related to the Cathedral's fabric, furnishings, and capital equipment, and (iii) such other purposes as are specifically designated by donors whose gifts have been included in the Fund or may be included in the future; and

BE IT FURTHER RESOLVED, that distributions from any and all of the Funds named above shall not be made to the operating fund or included in the annual budget of the Cathedral except only insofar as they support such operating expenses as are consistent with the purpose of the several Funds as described above; and

BE IT FURTHER RESOLVED, that any distribution above 5% of the total opening value (as of 30 September in the year prior to the distribution) of any of the several Funds named above be made only upon a vote by a 2/3 majority of the Chapter, either present or polled, meeting in regular or special session; and

BE IT FURTHER RESOLVED, that the Chapter hereby discharges the Investment Committee with many thanks for the dedicated and expert service of its members over the past several years; and

BE IT FURTHER RESOLVED, that the Cathedral, through action of this Chapter, hereby establishes an Endowment Fund Board (hereafter called the "Board") and charges said Board with the custody and management of the Funds named above;

BE IT FURTHER RESOLVED, that all the actions indicated in this resolution shall take effect as of the first day of January 2006, except that provisions concerning the amount of distributions from the McKenzie Fund shall take effect no later than the first day of January 2007 with distributions from that Fund in 2006 being equivalent to 100% of its earnings during 2005, and that provisions concerning the amount of distributions from the Los Angeles Sick and Destitute Fund shall take effect no later than the first day of January 2007 with distributions from that Fund in 2006 being equivalent to 100% of earnings during 2005 ; and

BE IT FURTHER RESOLVED, that the following Plan of Operation sets forth the administration and management of the several Funds:

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## PLAN OF OPERATION

### 1. The Endowment Fund Board

The Board shall consist of at least five members and no more than nine members, all of whom shall be members in good standing of the Cathedral; they shall be appointed by the Chapter. Additionally, the Dean and Wardens shall be members *ex officio* of the Board. Upon adoption of this resolution, two members shall be appointed for a term of three years, two members for a term of two years, and one member for a term of one year. Thereafter, on an annual basis, the Chapter shall appoint the necessary number for a term of three years. No appointed member shall serve more than two consecutive three-year terms. After a lapse of one year, former Board members may be reappointed. In the event of a vacancy on the Board, the Chapter shall appoint a member to complete the unfulfilled term, upon the completion of which that person is eligible for reappointment to a three year term.

The Board shall meet at least quarterly or more frequently as deemed by it in the best interests of the several Funds.

A quorum shall consist of a majority of the members of the Board, both appointed and *ex officio* at the time of a vote. The affirmative vote of at least five members shall be necessary to carry any motion or resolution.

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

The Secretary shall maintain complete and accurate minutes of all meetings of the Board and supply a copy thereof to each member of the Board. 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 Chapter in a timely manner.

The Treasurer of the Cathedral shall cause to be maintained complete and accurate books of account for the several Funds. At the discretion of the Chapter, the books may be audited annually by a certified public accountant. Neither the Treasurer of the Cathedral nor the auditor of the Funds shall be a member of the Board.

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The Board shall report on a quarterly basis to the Chapter and, at each annual meeting of the Cathedral congregation, shall render a full and complete account of the administration of the Funds during the preceding year, including contributions, distributions, earnings, fees, and fluctuation in evaluations.

The Board, at the expense of the several Funds, may provide for such professional counseling on investments or legal matters as it deems to be in the best interests of the Funds.

Members of the Board shall be liable for any acts or omissions committed by them 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 Funds in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of any of the Funds.

All assets are to be held in the names of the respective Funds. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the several Funds, 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 Board or investment manager appointed by the Board.

## 2. Acceptance of Gifts to the Several Funds

A Gift Review Policy shall be established through which the decision is made as to whether a gift to any of the several Funds 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 Cathedral, there will be conducted a careful review to determine whether the best interests of the Cathedral are served by accepting or rejecting the gift.

From the date that this Plan of Operation goes into effect and until the Endowment Board adjusts the amount, the minimum contribution for a designated fund within any of the several Funds shall be set at \$10,000.

## 3. Distributions from the Several Funds

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It is the intent of this resolution that the several Funds shall be managed as true endowments employing the restriction that the principal shall be maintained. . In June 2006, the Board established and Chapter approved a fund spending (distribution) rule of up to 5% of the value of each fund as of 30 September of the previous year. Revisions to the policy for distribution will be approved by Chapter. In all cases the use of funds will be consistent with the stated purposes of the several Funds as defined in the first section of this resolution under the direction of the Chapter and the Dean. Within the first quarter, Chapter will normally authorize in writing the transfer of the annual distribution or a portion thereof from the several funds to the Cathedral Operating Funds. If Chapter approves a distribution less than 5%, subsequent resolutions may be approved for additional distribution(s) up to the 5% rule.

## 4. Investment of the Funds

At the time of the adoption of this resolution and continuing through the end of the calendar year 2006, the Endowment Fund Board shall continue to follow the Investment Policy in use by the Investment Committee at the time of its discharge. Thereafter, the Endowment Fund Board may propose to the Chapter and the Chapter may approve either amendments to the standing Investment Policy or a new Investment Policy within the following parameters: the Investment Policy of the Cathedral shall require that the Board include in the corpus of each of the several Funds both instruments intended to provide current income and instruments intended to provide capital appreciation. At no time after the first day of January 2007, shall the Board invest less than 33% nor more than 67% of each of the corpuses of the several Funds in instruments intended to produce income.

## 5. Amendment of these Resolutions

Adoption of this resolution supersedes any previous "Statement of Investment Policy." Any amendment to these resolutions shall be adopted by a vote of at least two-thirds of the membership of the Chapter at a regularly scheduled meeting or at a special meeting call specifically for the purpose of amending these resolutions.

## 6. Disposition or Transfer of the Funds

In the event that St. Paul's Cathedral ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the Funds named herein shall be at the discretion of the Chapter in conformity with the Cathedral's Articles of Incorporation and By-laws and in accord with diocesan canons and the Bishop of San Diego.

# DRAFT

The foregoing resolutions are hereby adopted by the Chapter this 28<sup>th</sup> day of June, 2005

Attest:

Clerk of Chapter

The recommended changes are hereby adopted by the Chapter this 27<sup>th</sup> day of June, 2006

Attest:

Clerk of Chapter

## EXPLANATORY NOTE

According to the Plan of Operation described above, the example outlined below serves to illustrate how the Endowment Board might operate in a typical year. This example is for illustration only and is not to be considered a part of the resolution it accompanies.

1. The Endowment Board holds a regular quarterly meeting in October and receives a report from the Board's appointed Investment Manager indicating the dividends and interest earned by each of named Funds during the twelve previous months and the total value of the fund.
2. Based on the total value report , the Board determines the following:
  - a. the extent to which 5% of the total value compares to the earnings of the Funds
  - b. At the regular meeting of the Chapter in October, the Endowment Board reports the comparison (actual v 5%) and recommends a level of distribution to be used in constructing the following year's budget.

In the first quarter, a Chapter resolution will approve withdrawals from the several Funds to the Cathedral Operating Funds for uses consistent with the purposes stated. Rev. 061906 KCT

# DRAFT

## Attachment 7

Cathedral Church of St. Paul

San Diego, CA

### **Policy Regarding the Disposition of Undesignated Bequests**

WHEREAS, an undesignated bequest is a testamentary gift of real or personal property, left to the Cathedral through the donor's will or other estate planning instrument, which is not designated by the donor for some specific purpose; and

WHEREAS, bequests represent the legacy of the donor to future generations, the "accumulated stewardship" of one's God-given resources and the final disposition of those gifts accumulated over a lifetime; and

WHEREAS the entrustment of such bequests to the Cathedral represent a final expression of devotion to God and trust in the ongoing ministry and mission of this Community; and

WHEREAS, it is the desire of the Cathedral to encourage, receive, and administer bequests in a manner that is respectful of and faithful to the legacy represented and the spirit in which it is offered; and

WHEREAS, the buildings and grounds of the Cathedral as well as its Endowment Fund represent the legacy of this Community to future generations, and

WHEREAS, the Cathedral is in receipt of a survey entitled The Southern Cross Report, dated September 2006, which identifies a number of major repairs and improvements which should be undertaken to properly maintain the Cathedral for future generations.

THEREFORE BE IT RESOLVED, that unrestricted bequests of cash or cash equivalents, including marketable securities, shall be allocated in the following manner:

- 1) Any undesignated bequest held by the Cathedral at the time of the adoption of this policy, as well as any individual bequest received in calendar years 2007 and 2008, shall be distributed as follows: At earliest practicable time, 75% of such funds shall be placed in the Restoration Fund, the purpose of which is to conduct major repairs necessary to maintain the safety, security, and beauty of the physical facilities of the Cathedral, including but not limited to, those identified in the Southern Cross, with the remaining portion of the gift, placed in the Endowment Fund;
- 2) Any undesignated bequest received by the Cathedral during years 2009 and 2010 shall be distributed as follows: 50% shall be placed in the Restoration Fund, and remaining portion into the Endowment Fund;

# DRAFT

3) Any undesignated bequest received by the Cathedral during years 2011 and 2012, 25% shall be placed in the Restoration Fund, and the remaining portion into the Endowment Fund;

4) For years 2013 and beyond, 100% shall be placed in the Endowment Fund.

BE IT FURTHER RESOLVED, that unrestricted bequests of real or personal property shall be administered by the Chapter on a case-by-case basis in light of this policy, upon review and recommendation by a gift acceptance committee and/or in compliance with any superseding gift acceptance policies which may be subsequently adopted.

BE IT FURTHER RESOLVED, that any controversies as to the intent and/or interpretation of this policy shall be resolved by the Chapter upon review and recommendation by a gift acceptance committee and/or in compliance with any superseding gift acceptance policies which may be subsequently adopted.

BE IT FURTHER RESOLVED that the Cathedral affirms its commitment to honor the expressed will of donors of bequests and use restricted bequests only for the purposes designated by the donor.

# DRAFT

## Attachment 8

Cathedral Church of St. Paul

San Diego, CA

### **Policy Regarding the Disposition of Undesignated Gifts**

WHEREAS, an undesignated gift is a gift made during the donors lifetime which does not represent the donor's pledge and nor is it designated for a particular use or purpose; and

WHEREAS, such gifts cannot be reasonably budgeted for; and

WHEREAS, the Cathedral is in receipt of a survey entitled The Southern Cross Report, dated September 2006, which identifies a number of major repairs and improvements which should be undertaken to properly maintain the Cathedral for future generations;

THEREFORE BE IT RESOLVED, that, unrestricted, lifetime gifts to the Cathedral of cash or cash equivalents, including marketable securities, shall be allocated in the following manner:

- 1) Any individual gift with a value of \$25,000 or less shall be deposited into the Cathedral operating fund;
- 2) For any individual gift with a value more than \$25,000, the first \$25,000 shall be deposited into the Cathedral operating fund and the remaining portion of such gift shall be treated as an undesignated bequest, and be subject to the policy currently in effect pertaining to such gifts;

BE IT FURTHER RESOLVED, that unrestricted gifts of real or personal property shall be administered by the Chapter on a case-by-case basis in light of this policy, upon review and recommendation by a gift acceptance committee and/or in compliance with any superseding gift acceptance policies which may be subsequently adopted.

BE IT FURTHER RESOLVED, that any controversies as to the intent and/or interpretation of this policy shall be resolved by the Chapter upon review and recommendation by a gift acceptance committee and/or in compliance with any superseding gift acceptance policies which may be subsequently adopted.



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BE IT FURTHER RESOLVED, that the Cathedral affirms its commitment to honor the expressed will of donors of restricted gifts and use such gifts only the purposes designated by the donor.

# DRAFT

## Attachment 9

**Title: Fundamental Immigration Principles**

**Proposed By: The Peace & Justice Committee**

Date: 04/16/07

**BE IT RESOLVED**, that St. Paul's Cathedral receive "The Alien Among You" in the Blue Book Report of the Standing Commission on Anglican and International Peace with Justice Concerns, and, while recognizing the duty and right of a sovereign nation to protect and defend its borders, adopt the following fundamental principles:

1. Currently undocumented aliens should have reasonable opportunity to pursue permanent residency.
2. Workers should be allowed to enter the United States legally to respond to recognized labor force needs.
3. Close family members should be allowed to reunite without undue delay with individuals lawfully present in the United States.
4. Fundamental U.S. principles of legal due process should be granted all immigrants.
5. Enforcement of national borders and immigration policies should be proportional and humane.

**AND BE IT RESOLVED**, that St. Paul's Cathedral deplore any action by the Government of the United States which unduly emphasizes enforcement, including militarization of the border between the United States and Mexico, as the primary response to immigrants entering the United States to work, and

**AND BE IT RESOLVED**, that St. Paul's Cathedral undertake a campaign to educate its congregants as to the plight of refugees, immigrants, and migrants, which will include information about the root causes of migration, and

# DRAFT

**AND BE IT FURTHER RESOLVED** that this campaign call the people of St. Paul's Cathedral to commit to welcoming strangers as a matter of Christian responsibility, and to advocate for their wellbeing and protection.

# DRAFT

## EXPLANATION OF RESOLUTION:

Excerpted From *The Blue Book*

### *Standing Commission on Anglican and International Peace with Justice Concerns*

#### **The Alien Among You**

*When an alien resides with you in your land, you shall not oppress the alien. The alien who resides with you shall be to you as the citizen among you; you shall love the alien as yourself, for you were aliens in the land of Egypt; I am the Lord your God.*

*Leviticus 19: 33-34*

*So then you are no longer strangers and aliens, but you are citizens with the saints and also members of the household of God, built upon the foundation of the apostles and prophets, with Jesus Christ himself as the cornerstone.*

*Ephesians 2: 19*

Along with every other country in the world, the United States has a vision of what it means to be a citizen, and how “aliens” may become citizens and enjoy the fullness of our national life. Ironically, given the current debate over immigration policies and the added restrictive context after September 11, 2001, the United States has been, from the beginning, a country of immigrants.

Most Americans, or our ancestors, were once aliens. For generations people have come to the United States seeking refuge from oppression, economic opportunity, religious freedom, family reunion, and hope. Gradually we have developed immigration and refugee policies that have become more deliberate over the generations, at times glaringly racist and exclusionary, at other times more inclusive and hospitable.

#### **Hospitality to the stranger**

For Christian people welcoming the stranger is not merely a policy, it is our vocation. We are called to offer hospitality to those who come to us and to make room for them at the table. An integral part of the work of the Episcopal Church has been its 60-year history of serving refugees from all parts of the world, inviting parishes to partner with Episcopal Migration Ministries (EMM), the refugee assistance arm of the Church, in a ministry of resettlement. Consistent with this history, the Church has adopted resolutions supporting a generous policy of admitting refugees to the United States.

# DRAFT

The Episcopal Church joined other faith-based and refugee-rights communities pressing for the reinvigoration of the U.S. resettlement program when security concerns following the tragedy of September 11 reduced the number of refugees being admitted to the United States by half. Those who arrive as refugees are generally victims rather than perpetrators of terror, and the lack of evidence associating refugees with terrorism supports maintaining an admissions policy of open and responsible resettlement.

## **Comprehensive immigration reform**

The overall U.S. immigration system is not working well, and there is a growing consensus about the need for change. Immigration law that was intended to reunite families has resulted in the delay of several years before some spouses and other relatives can receive visas to immigrate to the United States. The presence of millions of undocumented aliens—especially agricultural workers and others who perform unskilled or low skilled jobs that are critical to the American economy—encourages an “underground” world, creates an environment of constant anxiety for the aliens and the communities in which they work, engenders inhospitable and cruel separation of families, and makes it nearly impossible for the undocumented workers to achieve regular and permanent status in the United States.

The political climate after September 11 and the security challenges faced by all countries have contributed to worrisome reductions in some protections of civil liberties. For immigrants, especially for those who violate immigration law, due process is often more rhetoric than reality.

While there is widespread frustration with current immigration law and policy, various proposed changes represent radically different views of immigrants and their place in the U.S. community. Some proposed changes would increase the restrictions on immigrants and those seeking refuge here, returning undocumented workers to their countries of origin, reducing civil liberties for the most vulnerable and shrinking economic immigration even further.

The Standing Commission on Anglican and International Peace with Justice Concerns recommends that the Episcopal Church continue to support immigration reform that is rooted in the Biblical vision of “hospitality to the stranger,” recognizing a nation’s right to protect itself and the deeper human right to migrate to places of safety and wellbeing. The Commission commends Executive Council’s adoption of Council Resolution NAC 032 at its June 2005 meeting that urges the Episcopal Church to support comprehensive immigration reform that will balance the legitimate need to “patrol our borders” with a responsible and humane process for inclusion of people who come to the United States seeking economic opportunity, refuge from persecution and family reunification.

It is for us who no longer are strangers and aliens, but citizens of the household of God and beneficiaries of the kindness of strangers, to advocate for fair and hospitable immigration policies. We have more to fear from restrictive and punitive policies than from those who seek hope and opportunity in the United States. Let us not fear being agents of generosity and abundance. Let us not oppress the aliens among us. And let us advocate for immigration policies that offer fair and just access to American life and the reasonable possibility of entrance into the community of citizenship.

# DRAFT

## Attachment 10

### Revised Endowment Committee Charter

#### PLAN OF OPERATION

##### 1. The Endowment Board

The Board shall consist of at least five members and no more than nine members, all of whom shall be members in good standing of the Cathedral; they shall be appointed by the Chapter. Additionally, the Dean and Wardens shall be members *ex officio* of the Board. Upon adoption of this resolution, two members shall be appointed for a term of three years, two members for a term of two years, and one member for a term of one year. Thereafter, on an annual basis, the Chapter shall appoint the necessary number for a term of three years. No appointed member shall serve more than two consecutive three-year terms. After a lapse of one year, former Board members may be reappointed. In the event of a vacancy on the Board, the Chapter shall appoint a member to complete the unfulfilled term, upon the completion of which that person is eligible for reappointment to a three year term.

The Board shall meet at least quarterly or more frequently as deemed by it in the best interests of maintaining the Enduring Gifts.

A quorum shall consist of a majority of the members of the Board, both appointed and *ex officio* at the time of a vote. The affirmative vote of at least five members shall be necessary to carry any motion or resolution.

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

The Secretary shall maintain complete and accurate minutes of all meetings of the Board and supply a copy thereof to each member of the Board. 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 Chapter in a timely manner.

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The Treasurer of the Cathedral shall cause to be maintained complete and accurate books of account for the Enduring Gifts. At the discretion of the Chapter, the books may be audited annually by a certified public accountant. Neither the Treasurer of the Cathedral nor the auditor of the Enduring Gifts shall be a member of the Board.

The Board shall report on a semi-annual basis (in April and November) to the Chapter and, at each annual meeting of the Cathedral congregation, shall render a full and complete account of the administration of the Enduring Gifts during the preceding year, including contributions, distributions, earnings, fees, and fluctuation in evaluations.

The Board, at the expense of the Enduring Gifts, may provide for such professional counseling on investments or legal matters as it deems to be in the best interests of the Enduring Gifts.

Members of the Board shall be liable for any acts or omissions committed by them 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 Enduring Gifts in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of any of the Funds.

All assets are to be held in the names of the respective Funds. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the Enduring Gifts, 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 Board or investment manager appointed by the Board.

## 2. Acceptance of Donations to the Enduring Gifts

A Gift Review Policy shall be established through which the decision is made as to whether a donation to the Enduring Gifts shall be accepted. This policy will incorporate the provision that, if a donation of

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property other than cash or publicly traded securities is offered to the Cathedral, there will be conducted a careful review to determine whether the best interests of the Cathedral are served by accepting or rejecting the gift.

From the date that this Plan of Operation goes into effect and until the Endowment Board adjusts the amount, the minimum contribution for a designated fund within the Enduring Gifts shall be set at \$10,000.

### 3. Distributions from the Enduring Gifts

It is the intent of this resolution that the Enduring Gifts shall be managed as true endowments, employing the restriction that the principal shall be maintained. . In June 2006, the Board established and Chapter approved a fund spending (distribution) rule of up to 5% of the value of each fund as of 30 September of the previous year. Revisions to the policy for distribution will be approved by Chapter. In all cases the use of funds will be consistent with the stated purposes of the individual Funds as defined in the first section of this resolution, under the direction of the Chapter and the Dean. Within the first quarter, Chapter will normally authorize in writing the transfer of the annual distribution or a portion thereof from the Enduring Gifts to the Cathedral Operating Funds. If Chapter approves a distribution less than 5%, subsequent resolutions may be approved for additional distribution(s) up to the 5% rule.

### 4. Investment of the Funds

At the time of the adoption of this resolution and continuing through the end of the calendar year 2006, the Endowment Board shall continue to follow the Investment Policy in use by the Investment Committee at the time of its discharge. Thereafter, the Endowment Board may propose to the Chapter and the Chapter may approve either amendments to the standing Investment Policy or a new Investment Policy within the following parameters: the Investment Policy of the Cathedral shall require that the Board include in the corpus of each of the individual Funds both instruments intended to provide current income and instruments intended to provide capital appreciation. At no time after the first day of January 2007, shall the Board invest less than 33% nor more than 67% of each of the corpuses of the individual Funds in instruments intended to produce income.

### 5. Amendment of these Resolutions



# DRAFT

Adoption of this resolution supersedes any previous "Statement of Investment Policy." Any amendment to these resolutions shall be adopted by a vote of at least two-thirds of the membership of the Chapter at a regularly scheduled meeting or at a special meeting call specifically for the purpose of amending these resolutions.

## 6. Disposition or Transfer of the Funds

In the event that St. Paul's Cathedral ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the Funds named herein shall be at the discretion of the Chapter in conformity with the Cathedral's Articles of Incorporation and By-laws and in accord with diocesan canons and the Bishop of San Diego.

The foregoing resolutions are hereby adopted by the Chapter this 28<sup>th</sup> day of June, 2005.

Attest:

Clerk of Chapter

The recommended changes are hereby adopted by the Chapter this 7<sup>th</sup> day of November, 2007.

Attest:

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Clerk of Chapter

7 November 2007

# **DRAFT**

## **Attachment 11**

**St. Paul's Cathedral**

**Re-establishment & Management of Endowment Funds**

**Adopted by the Chapter on 28 June, 2005**

**Revised on**

**27 June, 2006, 23 October, 2006, 7 November, 2007, and May 11, 2010**

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind – time, talent, 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 the Cathedral to encourage, receive, and administer 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 San Diego and the policies of this Cathedral; and

WHEREAS, it is the desire of the Chapter of St. Paul's Cathedral to update its investment policies and procedures;

THEREFORE BE IT RESOLVED, that the Cathedral, through action of this Chapter, recognizes and re-establishes the McKenzie Humanitarian Fund, the Los Angeles Sick and Destitute Fund, and the Endowment Fund of St. Paul's Cathedral (hereinafter collectively referred to as "the Enduring Gifts"); and

BE IT FURTHER RESOLVED, that the purpose of the McKenzie Fund and Los Angeles Sick and Destitute Fund is to enable the Cathedral to more completely fulfill its mission by developing ministries beyond what is possible through its other sources of income, and therefore distributions from these funds shall be limited to (i) outreach ministries and grants, (ii) start-up grants for new outreach ministries that the Cathedral from time to time may initiate, and (iii) such other purposes as are specifically designated by donors whose gifts have been included in either of these Funds or may be included in the future; and 23

BE IT FURTHER RESOLVED, that the purpose of the Endowment Fund of St. Paul's Cathedral is to enable the Cathedral to more completely fulfill its mission by developing ministries beyond what is possible through its other sources of income, and therefore distributions from these funds shall be limited to (i) building improvements, renovations, enhancements, and expansions, (ii) grants for special one-time projects related to the Cathedral's fabric, furnishings, and capital equipment, and (iii) such other

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purposes as are specifically designated by donors whose gifts have been included in the Fund or may be included in the future; and

BE IT FURTHER RESOLVED, that distributions from any and all of the Funds named above shall not be made to the operating fund or included in the annual budget of the Cathedral except only insofar as they support such operating expenses as are consistent with the purpose of the individual Funds as described above; and

BE IT FURTHER RESOLVED, that any distribution above 5% of the total opening value (as of 30 September in the year prior to the distribution) of any of the Enduring Gifts Funds named above be made only upon a vote by a 2/3 majority of the Chapter, either present or polled, meeting in regular or special session; and

BE IT FURTHER RESOLVED, that the Chapter hereby discharges the Investment Committee with many thanks for the dedicated and expert service of its members over the past several years; and

BE IT FURTHER RESOLVED, that the Cathedral, through action of this Chapter, hereby establishes an Endowment Board (hereafter called the "Board") and charges said Board with the custody and management of the Funds named above;

BE IT FURTHER RESOLVED, that all the actions indicated in this resolution shall take effect as of the first day of January 2006, except that provisions concerning the amount of distributions from the McKenzie Fund shall take effect no later than the first day of January 2007 with distributions from that Fund in 2006 being equivalent to 100% of its earnings during 2005, and that provisions concerning the amount of distributions from the Los Angeles Sick and Destitute Fund shall take effect no later than the first day of January 2007 with distributions from that Fund in 2006 being equivalent to 100% of earnings during 2005 ; and

BE IT FURTHER RESOLVED, that the following Plan of Operation sets forth the administration and management of the Enduring Gifts: 24

## PLAN OF OPERATION

### 1. The Endowment Board

The Board shall consist of at least five members and no more than nine members, all of whom shall be members in good standing of the Cathedral; they shall be appointed by the Chapter. Additionally, the Dean and Wardens shall be members *ex officio* of the Board. Upon adoption of this resolution, two members shall be appointed for a term of three years, two members for a term of two years, and one member for a term of one year. Thereafter, on an annual basis, the Chapter shall appoint the necessary number for a term of three years. No appointed member shall serve more than two consecutive three-year terms. After a lapse of one year, former Board members may be reappointed. In the event of a vacancy on the Board, the Chapter shall appoint a member to complete the unfulfilled term, upon the completion of which that person is eligible for reappointment to a three year term.

# DRAFT

The Board shall meet at least quarterly or more frequently as deemed by it in the best interests of maintaining the Enduring Gifts.

A quorum shall consist of a majority of the members of the Board, both appointed and *ex officio* at the time of a vote. The affirmative vote of at least five members shall be necessary to carry any motion or resolution.

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

The Secretary shall maintain complete and accurate minutes of all meetings of the Board and supply a copy thereof to each member of the Board. 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 Chapter in a timely manner.

The Treasurer of the Cathedral shall cause to be maintained complete and accurate books of account for the Enduring Gifts. At the discretion of the Chapter, the books may be audited annually by a certified public accountant. Neither the Treasurer of the Cathedral nor the auditor of the Enduring Gifts accounts shall be a member of the Board. 25

The Board shall report on a semi-annual basis (in April and November) to the Chapter and, at each annual meeting of the Cathedral congregation, shall render a full and complete account of the administration of the Enduring Gifts during the preceding year, including contributions, distributions, earnings, fees, and fluctuation in evaluations.

The Board, at the expense of the Enduring Gifts accounts, may provide for such professional counseling on investments or legal matters as it deems to be in the best interests of the Enduring Gifts.

Members of the Board shall be liable for any acts or omissions committed by them 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 Enduring Gifts accounts in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of any of the Funds.

All assets are to be held in the names of the respective Funds. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the Enduring Gifts accounts, 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 Board or investment manager appointed by the Board.

## 2. Acceptance of Donations to the Enduring Gifts

# DRAFT

A Gift Review Policy shall be established through which the decision is made as to whether a donation to the Enduring Gifts accounts shall be accepted. This policy will incorporate the provision that, if a donation of property other than cash or publicly traded securities is offered to the Cathedral, there will be conducted a careful review to determine whether the best interests of the Cathedral are served by accepting or rejecting the gift.

From the date that this Plan of Operation goes into effect and until the Endowment Board adjusts the amount, the minimum contribution for a designated fund within the Enduring Gifts shall be set at \$10,000. 26

### 3. Distributions from the Enduring Gifts

It is the intent of this resolution that the Enduring Gifts shall be managed as true endowments, employing the restriction that the principal shall be maintained. . In June 2006, the Board established and Chapter approved a fund spending (distribution) rule of up to 5% of the value of each fund as of 30 September of the previous year. Revisions to the policy for distribution will be approved by Chapter. In all cases the use of funds will be consistent with the stated purposes of the individual Funds as defined in the first section of this resolution, under the direction of the Chapter and the Dean. Within the first quarter, Chapter will normally authorize in writing the transfer of the annual distribution or a portion thereof from the Enduring Gifts accounts to the Cathedral Operating Funds. If Chapter approves a distribution less than 5%, subsequent resolutions may be approved for additional distribution(s) up to the 5% rule.

### 4. Investment of the Funds

At the time of the adoption of this resolution and continuing through the end of the calendar year 2006, the Endowment Board shall continue to follow the Investment Policy in use by the Investment Committee at the time of its discharge. Thereafter, the Endowment Board may propose to the Chapter and the Chapter may approve either amendments to the standing Investment Policy or a new Investment Policy within the following parameters: the Investment Policy of the Cathedral shall require that the Board include in the corpus of each of the individual Funds both instruments intended to provide current income and instruments intended to provide capital appreciation.

### 5. Amendment of these Resolutions

Adoption of this resolution supersedes any previous "Statement of Investment Policy." Any amendment to these resolutions shall be adopted by a vote of at least two-thirds of the membership of the Chapter at a regularly scheduled meeting or at a special meeting call specifically for the purpose of amending these resolutions.

### 6. Disposition or Transfer of the Funds 27

In the event that St. Paul's Cathedral ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the Funds named herein shall be at the discretion of the Chapter

# DRAFT

in conformity with the Cathedral's Articles of Incorporation and By-laws and in accord with diocesan canons and the Bishop of San Diego.

The foregoing resolutions are hereby adopted by the Chapter this 28th day of June, 2005.

Attest:

Clerk of Chapter

The recommended changes are hereby adopted by the Chapter this 11th day of May, 2010.

Attest:

Robert Reed

Clerk of Chapter

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## **Attachment 12**

### **Revised Undesignated Gift Policy**

It was moved and seconded that undesignated gifts less than \$25,000 be allocated to the operating fund; and 70% of undesignated gifts of \$25,000 or more be allocated to the endowment fund, 15% to the operating fund, and 15% to the deferred maintenance fund. This policy will be effective for two calendar years from the date approved. The motion was unanimously approved.



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## Attachment 13

### DORCA HOUSE COMMITTEE FIVE YEAR PLAN

Income	2012	2013	2014	2015	2016	2017	2018	2019
Restricted Income	152,212	180,651	195,114	210,723	227,581	245,787	265,455	286,686
Direct Public Support	168	168	168	168	168	168	168	168
Hopper Account	0	22,844	39,600	31,200	23,400	15,600	7,800	0
Investments	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Other (eg. Trips)	100	100	100	100	100	100	100	100
<b>Total Income</b>	<b>153,680</b>	<b>204,973</b>	<b>235,582</b>	<b>243,391</b>	<b>252,449</b>	<b>267,855</b>	<b>274,718</b>	<b>288,154</b>
Expense	2012	2013	2014	2015	2016	2017	2018	2019
Vica down Operating	155,280	164,049	173,802	180,648	188,087	195,605	203,428	211,566
Web Site Maintenance	150	200	212	220	229	238	248	258
Bank Charges	600	500	635	651	688	715	744	774
Misc. Social Expenses	300	300	318	331	344	358	372	387
Insurance (Trip)	4,800	5,280	5,597	5,821	6,053	6,295	6,547	6,809
Travel & Meetings	350	400	424	441	459	477	496	516
Communications	6,000	7,000	7,420	7,717	8,025	8,346	8,680	9,028
Development Activities	3,600	4,200	4,452	4,630	4,815	5,008	5,208	5,417
Development Co-ordinator	0	0	19,500	19,890	20,288	20,694	21,107	21,530
Program Developer	0	0	19,500	19,890	20,288	20,694	21,107	21,530
Cathedral Financial Svcs			10,790	10,790	10,790	10,790	10,790	10,790
<b>Total Expense</b>	<b>171,080</b>	<b>182,029</b>	<b>242,741</b>	<b>251,239</b>	<b>260,061</b>	<b>269,220</b>	<b>278,730</b>	<b>288,603</b>
			19,500	19,600	11,700	7,800	3,900	58,500
			19,500	19,600	11,700	7,800	3,900	58,500
Draw =			39,000	31,200	23,400	15,600	7,800	\$117,000
			8.99%	7.36%	5.85%	3.86%	1.98%	
5% growth	5434,045	413,645	413,684	404,158	394,660	385,386		
7% Draw	\$30,383	\$29,669	\$28,972	\$28,291	\$27,626	\$26,977	\$171,918	
	\$401,661	\$394,175	\$384,912	\$375,867	\$367,034	\$358,409		

Weeks in year	52	
Pay per hour	25	
Hours per week =	15	
<b>Development Coordinator</b>		<b>\$19,500</b>
Current Compensation =		\$15,366
Difference =		\$4,134
<b>Program Developer</b>		<b>\$19,500</b>
Yearly income increase	8%	1.08
Yearly cost increase	4%	1.04
Yearly raise =	2%	1.02
<b>Hopper Fund Corpus</b>		<b>\$456,889</b>
→ Draw	7%	0.07
→ Growth	5%	0.05
→ 2013 Draw	1%	\$22,844
<b>Financial Services</b>		<b>\$10,790</b>
Bookkeeper		
Shrs/week @ 137.50/wk		7150
Other		
Shrs/week @ 70/wk		3640

# DRAFT

## Attachment 14

### St. Paul's Cathedral Denominational Health Plan Policy

1. In accordance with Title I, Canon 8 of the Episcopal Church, effective January 1, 2013, St. Paul's Cathedral shall pay 100% of the cost of individual health insurance coverage of the basic EPO Health Plan (currently Aetna) offering for all lay and ordained employees who are scheduled to work 1500 hours or more per year. If an employee chooses to add coverage for eligible family member or chooses a plan with a higher premium, then that employee will pay the difference between that plan and the cost of the base plan. Employees working between 1000 and 1499 hours per year will be offered health insurance at the employee's expense.
2. Lay and clergy employees eligible for required individual health insurance coverage under Section 1 of this recommendation will participate in the Diocesan Health Plan unless they have access to coverage through other approved sources, including for example: Medicare; Tricare; a former employer; or a spouse's or domestic partner's health insurance plan. Individuals who opt out receive an equivalent benefit in the form of a contribution to a 403(b) or 125 plan or similar benefit but not an increase in salary. *(This equivalent benefit is recommended but optional.)*

In offering this recommendation, members of the Diocese of San Diego Denominational Health Care Task Force offer the following excerpt from "Workplace Values in the Episcopal Church" (Resolution A125, General Convention 2006.):

*Believing in the call to the Church to strive for justice and peace among all people, and to respect the dignity of every human being, The Episcopal Church seeks to promote professional employment environments that offer opportunity for development and advancement. The Church's commitment to this is summed up in the widely accepted "Golden Rule":*

"In everything, therefore, treat people the same way you want them to treat you ..." Matthew 7:12a

# DRAFT

## Attachment 15



### CREDIT CARD POLICIES AND PROCEDURES

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The objective of maintaining corporate credit cards is to allow Cathedral personnel to access an efficient means of payment for approved expenses related to the ministry and operation of the Cathedral. The objective of this policy is to detail the expectations and responsibilities of cardholders to ensure proper use of cards, characterization of expenses, reconciliation of credit card statements to monthly charges, and payment of bills.

#### Policies

1. Credit cards will be issued to clergy, executive staff, and/or department heads, only with approval of the Finance Committee and Dean.
2. Credit cards will only be used for business purposes. Personal purchases of any type are not allowed.
3. Cardholders will make efforts to use the Cathedral's vendor payment via check process whenever possible, thereby limiting use of the credit card to circumstances where the nature of the expense or the vendor's restrictions require the use of the card.
4. Cash advances on credit cards are not allowed without written permission of the Dean or Treasurer.
5. Cardholders are responsible for all charges on their own cards.
6. Cardholders may be issued only one card, except in special, approved circumstances.
7. Cardholders must submit documentation supporting charges per below within 60 days of the purchase date. Purchases for which receipts are not provided may be treated as personal purchases and charged back to the cardholder.
8. Cardholder should make every effort to ensure that purchases include sales tax. California exempt organizations are not exempt from sales and use tax.
9. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.

#### Procedures

1. Requests for a card may be made by the prospective, qualifying cardholders to the Dean and Finance Committee. Alternatively, the Finance Committee and Dean may elect to issue a card to qualifying personnel based on apparent need without a request.
2. Cardholders shall submit detail receipts along with a completed and signed credit card charge slip (see attached for sample) to the Finance Office as soon as is reasonably possible after making a purchase. Per above, if documentation is not submitted within 60 days of the purchase date, the purchase may be treated as a personal purchase and charged back to the cardholder.
3. Credit card charge slips shall always include the cardholder's signature and shall also include the department head's signature if the charge is not chargeable to the cardholder's department(s).
4. Upon receipt, monthly statements will be reconciled by the Finance Office with supported charge data. Unsupported charges will be recorded to Suspense until such time as support is received and they can be reclassified.

# DRAFT



## CARDHOLDER AGREEMENT

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I, \_\_\_\_\_ (cardholder's name), hereby acknowledge receipt of the following credit card: \_\_\_\_\_ (type of credit card) / \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_.

I understand that improper use of this card may result in disciplinary action as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement, including the attached Credit Card Policies and Procedures agreement.

I acknowledge receipt of said agreement and policies and procedures and confirm that I have read and understand the terms and conditions. I understand that by using this card, I will be making financial commitments on behalf of the Cathedral and the Cathedral will be liable for all charges I make on the card.

I will strive to obtain the best value for the Cathedral when purchasing merchandise and/or services with this card.

As the cardholder, I agree to accept responsibility and accountability for the protection and proper use of the card. I will return the card to the Finance Office upon demand. I further agree to return the card upon termination of my employment. I understand that the card is not to be used for personal purchases. If the card is used for personal purchases, for purchases for any other entity, or when I have not provided sufficient documentation to support the purchases within 60 days of the purchase date, the Cathedral will be entitled to reimbursement from me of such purchases. The Cathedral shall be entitled to pursue legal action, if required, to recover the cost of such purchases, together with the cost of collections and reasonable attorney fees.

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Cardholder

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Date

I certify as to the approval of card issuance.

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Dean or Finance Committee Representative

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Date

### FINANCE OFFICE USE ONLY:

Date Issued: \_\_\_\_\_ Card Limit: \_\_\_\_\_

Signature: \_\_\_\_\_

# DRAFT

## CREDIT CARD CHARGE SLIP

CREDIT CARD USED:

☐ AMEX

☐ VISA

Vendor: \_\_\_\_\_

Amount: \_\_\_\_\_

Explanation:

If charged as shipped

(multiple shipments/charges):

Date \_\_\_\_\_ Amount: \_\_\_\_\_

Date \_\_\_\_\_ Amount: \_\_\_\_\_

Date \_\_\_\_\_ Amount: \_\_\_\_\_

<b>Charged By:</b> _____  <b>Date:</b> _____	<b>Approved By:</b> (Department Head or Dean) _____  <b>Date:</b> _____  <input type="checkbox"/> Operating Budget  <input type="checkbox"/> Special Fund(s): _____  Account(s): _____	<i>For Finance Office Use</i> <b>Received By:</b> _____  <b>Date Entered:</b> _____  <b>GL Account(s):</b> _____  _____
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## **Attachment 16**

The Board of Directors of PACEM recommends to its members that the corporation dissolve and upon dissolution, in accordance with the corporation's governing documents, transfer the net assets of the corporation to the Cathedral Church of Saint Paul, a California nonprofit religious corporation, with the restriction that the corpus of the gift be permanently restricted and that the earnings be made available for projects distinct from the ongoing musical and liturgical life of the Cathedral, which promote the interest and expertise in church music, focusing on the education of musicians and the furtherance of awareness of the liturgical music tradition in the broader community. Consideration can be given to the care and keeping of the newly restored organ and organ scholar program, should such need arise.