

**2013 AMENDMENT OF THE RESOLUTION  
ESTABLISHING  
THE PARISH FUND OF ST. JAMES EPISCOPAL CHURCH**

WHEREAS, Christian stewardship calls for the faithful management of all the gifts God has given to humankind, including time, talents, the created world and accumulated wealth; and

WHEREAS, it is the desire of this Parish to provide for the increase of its invested funds in order to create new and expanded opportunities for its programs, ministries, and missionary work: to ensure the long-term preservation of and improvement of its physical property: and to provide for its long-term financial stability in a way that will not diminish the responsible current support by its members of the general operations of the Parish through annual giving; and

WHEREAS, the invested funds of the Parish shall be administered and used as set forth in this Resolution and shall not be used for the general operations of the Parish unless otherwise permitted by the terms of this Resolution; and

WHEREAS, Christians can give to the work of St. James Episcopal Church ("St. James") through lifetime gifts and transfers of property such as cash, stocks, bonds, mutual funds, tangible assets and real estate, bequests in wills, transfers in charitable remainder or other trusts, charitable gift annuities, and assignments of life insurance; and

WHEREAS, it is the desire of this Parish to encourage the making of such gifts and to receive and administer the donated funds in a manner consistent with the loyalty and devotion to the Lord expressed by the grantors, and in accord with the policies adopted by the congregation of St. James expressed in this Resolution; and

WHEREAS, it is the continuing intent and desire of the congregation of St. James that the funds previously administered by The Endowment and Building Fund Committee, established by a resolution of the Parish adopted on June 7, 1943, as amended, and the unrestricted funds (such as the "Halsted Missionary Fund," "Sale of Rectory Fund," and the "Special Funds Account"), and other unrestricted funds (more fully described in **Exhibit A**), and certain additional designated or restricted funds (such as "The Friends of St. James Music Fund", "The Organ Fund", and "The Lounge Fund"), currently held by St. James and accounted for through the Parish Fund, which was established by the Resolution Establishing The Parish Fund of St. James Episcopal Church dated September 11, 1998 (the "1998 Resolution"), be merged into the Parish Fund, and, that the 1998 Resolution, and all prior Resolutions, be amended and superseded by this 2013 Amendment of the Resolution Establishing The Parish Fund of St. James Episcopal Church (the "Amended Resolution").

WHEREAS, this Parish, from time to time, at Annual Meetings duly assembled, has approved language for the Amended Resolution to reflect the changing needs of the Parish while ensuring the continued integrity of The Parish Fund, and now wishes to memorialize all prior, approved changes to the language of The 1998 Resolution, by establishing those changes in this Amended Resolution.

THEREFORE BE IT RESOLVED, that this Parish, at its Special Meeting, properly called, and held March 3, 2013, having previously Approved additions and revisions to the language of the 1998 Resolution, and having memorialized those additions and revisions in the By-laws of St. James Episcopal Church, now incorporates its previously approved Parish revisions and additions into this Amended Resolution, and, the property held by St. James Episcopal Church pursuant to this Amended Resolution will be referenced as the "Parish Fund" or the "Fund".

BE IT FURTHER RESOLVED, that all resolutions prior to this Amended Resolution are hereby amended and superseded by this Amended Resolution.

BE IT FURTHER RESOLVED, that any future revisions or additions to the language of this Amended Resolution shall be approved pursuant to Paragraph 12 hereof, and reflected by subsequent amended Resolutions, numbered seriatim.

BE IT FURTHER RESOLVED, that the Parish Fund Committee (the "Committee") shall continue to be the administrator and manager of the Fund.

BE IT FURTHER RESOLVED, that all gifts or bequests of whatever nature made to the Parish, other than specific gifts to a memorial Fund, or other designated Fund maintained separate from the Parish Fund, shall be received into the Fund, subject to the terms of this Amended Resolution.

BE IT FURTHER RESOLVED, that the following plan of operation sets forth the purpose, terms and conditions for the administration and management of the Fund.

1. PURPOSE

The purpose of the Parish Fund is to (a) enhance the programs, ministries and missionary work of St. James, (b) provide supplemental Funds for repairs, maintenance, beautification of and capital improvements to the buildings and grounds of St James, and (c) ensure long term financial stability for the Parish,

2. THE COMMITTEE

a. Composition. The Committee shall consist of five persons appointed by the Vestry of St. James Episcopal Church ("Vestry") in consultation with the Rector, all of whom shall be voting members of St. James Parish, communicants in good standing, pledgers of record and regular in attendance at worship services of the Parish. The Rector and the Treasurer of the Vestry shall serve as non-voting ex-officio members of

the Committee. No member of the Vestry may serve simultaneously as a member of the Committee.

b. Term of Office. Except as limited by this Amended Resolution, the term of each member shall be five (5) years and the terms are staggered so that one Committee member retires each year. At the first regular monthly meeting of the Vestry following the annual meeting of the congregation each year, the Vestry shall appoint a person to the Committee for a term of five (5) years to succeed the retiring member of the Committee. A person initially appointed or subsequently appointed to the Committee shall not be eligible for appointment to a succeeding term on the Committee until after a lapse of one year following the expiration of the term being served, except that a person appointed to fill a vacancy, who has served twelve (12) months or less, shall be eligible for appointment to a succeeding term on the Committee.

c. Advisory Members. The Committee may request other members of the congregation to serve, from time to time, as advisory members of the Committee, without vote.

d. Resignation. A Committee Member may resign by giving written notice to the Secretary of the Vestry. Unless otherwise specified in the resignation, the resignation shall take effect upon receipt by the Secretary of the Vestry, and acceptance of the resignation shall not be necessary to make it effective.

e. Removal. Any member of the Committee may be dismissed by a two thirds (2/3rds) vote of the entire Vestry.

f. Vacancies. Any vacancies on the Committee, shall be filled by the Vestry appointing a person who meets the qualifications set out in paragraph 2a. above. The person so appointed shall fill the unexpired term of the person vacating Committee membership.

g. Conflict of Interest. No Committee Member shall engage in any self dealing or transactions with the Fund in which the member has a direct or indirect financial interest and shall at all times refrain from any conduct in which the member's personal or pecuniary interests would conflict with the interest of the Fund.

h. Regular Meetings. Regular meetings of the Committee shall be held at least quarterly.

i. Special Meetings. Special Meetings of the Committee shall be called by the Secretary upon the request of the Chair, or, any three members of the Committee.

j. Notice of Meetings. No notice is required for regular meetings as established by the Committee. Special meetings of the Committee shall be held pursuant to notice of the time, place, and purpose thereof, either delivered personally or sent by mail, email, or by telephone, facsimile or other electronic transmission to each

Committee Member not less than seventy-two (72) hours prior to the meeting, and if by telephone, facsimile or electronic transmission, confirmed in writing before or after the meeting. Notwithstanding the foregoing, no notice need be given to any Committee member who submits a signed waiver of notice before or after a special meeting; or who attends a special meeting without protesting any lack of notice.

k. Quorum. A quorum of the Committee shall consist of three (3) members. A member of the Committee may participate in a meeting by means of conference telephone, provided that all persons participating in the meeting can hear each other.

l. Voting. The vote of a majority of the full Committee shall be required to carry any motion or resolution.

m. Action by Consent. Any action required or permitted by this Amended Resolution or applicable law which may be taken at any regular or special meeting of the Committee, may be taken without a meeting, without prior notice, and without a vote, if all members of the Committee entitled to vote thereon consent thereto in writing.

### 3. COMMITTEE OFFICERS

a. Election of Officers. The Committee shall elect from its membership a Chair, a Vice Chair, and a Secretary.

b. Duties of the Chair and Vice Chair. The Chair, or the Vice Chair, in the absence of the Chair, shall preside at Committee meetings. The Chair and Vice Chair shall or may also implement the actions of the Committee in dealing with the investment advisor and/or custodian of the Fund, as more fully described in Paragraph 3c. In the absence of the Chair or the Vice Chair, the members present may elect a member to chair the meeting.

c. Duties of Treasurer. The Treasurer of the Vestry shall be the Treasurer of the Fund and shall maintain complete and accurate books of account for the Fund. The Treasurer shall implement the actions of the Committee in dealings with the investment adviser and/or custodian of the Fund. In the absence or unavailability of the Treasurer, the Chair or Vice Chair shall implement the actions of the Committee in dealings with the investment adviser and/or custodian as provided herein. The investment adviser and/or custodian of the Fund may rely on the instructions or directions of the Treasurer, the Chair or the Vice Chair.

i. In implementing the actions of the Committee, the Treasurer, and, either the Chair or the Vice Chair, or, in the absence or unavailability of the Treasurer, the Chair and Vice Chair, shall provide written instructions to the investment adviser and/or custodian in order to authorize payment from the Fund to any person or entity other than St. James Episcopal Church.

- ii. In the absence or unavailability of the Treasurer, either the Chair or the Vice Chair may implement the actions of the Committee in dealings with the investment advisor and/or custodian by providing written instructions to the investment advisor and/or custodian to transfer Funds to St. James Episcopal Church.

d. Duties of the Secretary. The Secretary shall maintain complete and accurate minutes of all meetings of the Committee and shall promptly supply a copy thereof to each member of the Committee and to the Vestry. The Secretary shall also assist the Treasurer in maintaining complete and accurate books of account for the Fund. In the absence of the Secretary at a meeting of the Committee, the members present may elect a person to serve as secretary of the meeting.

#### 4. REPORTS

The Committee shall report on the status of the Fund, including receipts and disbursements, on a quarterly basis to the Vestry, and to the congregation at each annual meeting of the Parish, when it shall render a complete account of the administration of the Fund during the preceding year.

#### 5. PROFESSIONAL ADVISORS, CUSTODIAN AND EDUCATION

a. Professional Advisors and Custodian. The Committee may, at the expense of the Fund, engage and retain such professional counseling on investment or legal matters as it deems appropriate and may contract with such entity or entities to serve as custodian or depository of the assets of the Fund as it deems appropriate. All assets are to be held by the Custodian in an account in the name of the St. James Parish Fund.

b. Audit. A Certified Audit of the financial records of the Fund shall be performed every year by a Certified Public Accountant selected by the Vestry in consultation with the Committee.

c. Organizations. The Committee may, at the expense of the Fund, maintain memberships in such associations or organizations and authorize persons to attend meetings, conferences or course offerings of such associations or organizations as it deems appropriate to further the best interests of the Fund.

#### 6. INDEMNIFICATION

a. Indemnification. Members of the Committee shall not be liable for any losses which may be incurred upon the investment of the assets of the Fund except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable for losses or damages as long as such member acted in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct or omissions, and shall not be liable for the acts or omissions of

any other member.

b. Further Indemnification. In addition, every member of the Committee shall be indemnified in the same manner and to the same extent as a member of the Vestry or as an officer as set forth in the Bylaws of St. James, the indemnification provisions of which are incorporated in this Resolution by reference.

## 7. GIFT DEVELOPMENT

The Committee shall encourage the making of gifts to the Fund and shall develop educational programs and promotional materials for distribution to members of the Parish and others consistent with the provisions of this Resolution for that purpose.

a. Receiving Gifts. All forms of gifts may be made to the Fund, whether: (1) restricted or unrestricted by the donor, (2) in the form of cash, insurance proceeds, retirement plan benefits, stocks, bonds, or tangible personal property or real property, or (3) transferred by outright delivery, in trust by will or by other forms of bequest. The Vestry shall, in consultation with the Committee, develop policies stating the manner in which gifts to the Parish shall be allocated to the Fund.

b. Conversion to Cash. Unless otherwise determined by the Vestry with respect to a specific gift, all gifts of real or tangible personal property shall be converted to cash as soon as is reasonably possible and the proceeds thereof shall be Invested in the same manner as other assets held in the Fund.

c. Rejection of Gifts. Notwithstanding the foregoing, the Committee by a majority vote, may recommend to the Vestry that a gift, in whatever form, shall not be accepted. A decision to decline acceptance of a gift shall be made by a majority vote of the Vestry. The Vestry shall, in consultation with the Committee, develop policies regarding the acceptance or rejection of gifts (including the establishment, from time to time, of minimum amounts acceptable as contributions for restricted gifts) to assure that all gifts to be received are consistent with the mission of St. James and the purpose of this Resolution and shall not result in loss or damage to the Fund or diminish or damage the ability of the Parish to carry out its mission.

## 8. ADMINISTRATION OF THE FUND

The primary role of the Committee is to seek the preservation and growth of the assets in the Fund in real "inflation-adjusted" terms, recognizing that preservation of the assets ultimately relates to the two separate aspects of the Fund; its spending practices and its investment performance. The assets of the Fund may be invested in different investment accounts in order to accommodate differing investment objectives for the various accounts in the Fund.

The Fund shall consist of the assets administered under this Amended Resolution and such additional Funds as may be received, from time to time, by the

Fund and shall be used to carry out the purposes of the Fund in the accounts described below:

a. Restricted Funds Account. All gifts and contributions to the Fund made by donors in accordance with the policies established by the Vestry, whether permanently or temporarily restricted, shall be held, administered and disbursed for the purposes set out in writing by the donor in any instrument by which the gift or contribution is made to the Fund.

b. Building Funds Account. The assets formerly administered as the Endowment and Building Fund, together with any additional Funds hereafter contributed to the account from time to time, shall be used for capital improvements, repairs, maintenance, and beautification of the Church building and the site on which it is located.

c. Missionary Funds Account. The assets formerly held In the Halsted Missionary Fund account, together with any additional Funds hereafter contributed to the account from time to time shall be used to support outreach programs conducted beyond the Parish which are sponsored or supported by the Parish and to support educational and other programs conducted within the Parish as defined in paragraph 10.b.3 of this Resolution.

d. Unrestricted Funds Account. All assets formerly held in the Sale of Rectory Fund and assets held without other restrictions (Unrestricted Funds), together with any additional Funds hereafter contributed to the account, from time to time, shall be used to support the operating budget of St. James (subject to the limitation in paragraph 10, b, 4 of this Resolution) and to enhance programs and ministries to carry out the purpose of this Resolution.

e. Additional Funds Accounts. The Committee, by a 4/5<sup>th</sup> affirming vote with concurrence of a 2/3<sup>rd</sup> vote of the full Vestry, may establish additional accounts of the Fund designated for specific purposes, and may re-establish existing accounts of the Fund not previously documented, provided that these accounts comply with the purposes of this Fund and support the mission and ministries of St. James. The Committee by a 4/5<sup>th</sup> vote, with the concurrence of the Vestry by a 2/3<sup>rd</sup> vote, will determine what, if any, spending rate(s) to apply to the Additional Funds account(s) as outlined in section 9, Spending Policy and Other Distributions.

## 9. SPENDING POLICY AND OTHER DISTRIBUTIONS

a. Spending Policy. The assets of the various accounts (consisting of principal, appreciation in value and accumulated dividend or interest income) shall be disbursed from the various accounts in accordance with the Spending Rate adopted from time to time in each account by the Committee and approved by the Vestry. The Spending Rate shall be stated as a percentage to be applied against the mean market value of the assets in each Fund account as described in paragraph 9.d. of this

Amended Resolution.

b. Initial Spending Rate. The initial Spending Rate for disbursements from each account described in paragraph 8 is set forth in paragraph 10 of this Amended Resolution.

c. Revised Spending Rate. The Committee shall annually review the Spending Rate and may change the Spending Rate for an account by a 4/5<sup>th</sup> affirmative vote with the concurrence of a 2/3<sup>rd</sup> affirmative vote of the Vestry. In no case shall the Spending Rate for any account exceed 10%.

d. Computation of Disbursements. The amount to be disbursed from each account for the upcoming calendar year shall be computed in November of each year by applying the Spending Rate to the mean of the market value of the assets held in each account (or the predecessor accounts, as the case may be) as of September 30 for the current year and the two immediately preceding calendar years.

#### 10. DISBURSEMENTS FROM ACCOUNTS

a. Disbursement Policy. Annual disbursements from the assets of the various accounts shall be made pursuant to the recommendation of the Committee with the approval of the Vestry. Except in the event of extraordinary circumstances, the recommendation and approval for disbursements shall be made prior to and in connection with the development of the annual operating budget of St James. The recommendations of the Committee shall be made by the affirmative vote of a majority of the full Committee and the approval of the Vestry shall be made by the affirmative vote of a majority of the full Vestry.

b. Disbursements. Disbursements from the assets of the various accounts based on the Spending Policy and as approved in accordance with paragraph 10.a above shall be made as follows:

1. Building Funds Account. Disbursements at a Spending Rate of 5% percent may be made annually from the assets in the Building Funds Account for purposes of repairs, maintenance, beautification and capital improvements of the buildings and grounds of St. James.
2. Missionary Funds Account. Disbursements at a Spending Rate of 5% percent may be made annually from the assets in the Missionary Funds Account and shall be divided between support of outreach programs (defined as programs or ministries serving people who are not, for the most part, members of the St James Parish) and support of educational and other programs within the Parish (defined as programs or ministries serving people who are, for the most part, members of the St James Parish).



3. Unrestricted Funds Account. Disbursements at a Spending Rate of not more than 5% percent may be made annually from the assets In the Unrestricted Funds Account to support the operating budget of St. James Church and to enhance programs and ministries to carry out the purpose of this Resolution. In no event shall the disbursement from this account for operating purposes exceed 5% of the operating budget of the Parish for the immediately preceding calendar year, unless a disbursement in excess of that amount is authorized in accordance with paragraph 11 of this Resolution. To the extent the amount derived from the application of the Spending Rate would result in a disbursement from the Unrestricted Funds Account in excess of the amount disbursed to support the operating budget, the excess sum may be disbursed to enhance such programs and ministries as the Committee, with the concurrence of the Vestry, deems appropriate to carry out the purpose of this Resolution.

c. Restricted Funds Account. The Committee shall disburse Funds in accordance with the written instructions of the donor as provided in the instrument by which a gift was transferred to the FUND. Temporarily Restricted Funds administered in this account shall be transferred to the Unrestricted Funds Account when the restrictions imposed by the donor have expired, either by passage of time or by fulfillment of the stipulations of the donor.

d. Initiation Of Request For Disbursement of Funds. The Vestry or any Committee appointed by the Vestry may make application for the disbursement of moneys from any account in the Fund in accordance with policies and procedures established by the Committee with the concurrence of the Vestry.

## 11. SPECIAL DISBURSEMENTS

The Committee, by a 4/5<sup>th</sup> affirmative vote, concurred in by a 2/3<sup>rd</sup> affirmative vote of the Vestry may provide for the disbursement of amounts from the Building Funds Account greater than that resulting from the application of the Spending Rate for capital expenditures to the buildings and grounds of the Church, and, may provide for the expenditure of amounts greater than that resulting from application of the Spending Rate from the Unrestricted Funds account for such purposes as are deemed appropriate to carry out the purpose of this Resolution.

## 12. AMENDING THE RESOLUTION

Any amendment to this Amended Resolution shall be adopted by a two-thirds (2/3) vote of the members present at an annual meeting of the parish or at a special meeting called specifically for the purpose of amending this Resolution. Any proposed amendment to this Resolution must first be approved by a 4/5 vote of the Committee

and a two thirds (2/3<sup>rd</sup>) affirmative vote of the entire Vestry at a duly called joint meeting of the Committee and Vestry before being submitted to a vote of the members of the Parish.

13. DISTRIBUTION OR TRANSFER OF FUNDS

In the event St. James Parish ceases to exist, either through merger or dissolution, the distribution or transfer of the Fund shall be made at the discretion of the Vestry consistent with the purposes of this Resolution, in conformity with applicable canon law and in consultation with the Bishop of the Diocese of Michigan.

14. REVOCAION OF PRIOR RESOLUTIONS

All resolutions previously adopted by the Vestry or the Parish relating to the administration or distribution of the moneys to be included in the Fund including the Resolution of the Parish adopted in June 7, 1943, as amended, are superseded by this Amended Resolution.

15. ADOPTION OF RESOLUTION

This Resolution having been recommended by the Vestry and accepted by the Congregation at a legally called Parish meeting, is hereby adopted.

St. James Episcopal Church, Birmingham, Michigan

By: \_\_\_\_\_  
Senior Warden

By: \_\_\_\_\_  
Secretary

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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