

# **Synopsis**

## **FMC Stewardship Fund Policies and Procedures**

### **Background and Purpose**

First Mennonite Church (FMC) does not have policies or procedures for accepting and managing charitable gifts or bequests, except for those to support education in Mennonite colleges (the FMC Mennonite Education Endowment), which would remain separate from the proposed Stewardship Fund (“Fund”). The lack of such policies and procedures has led to many questions in managing recent bequests. The proposed Stewardship Fund Policies and Procedures would provide clear and consistent direction for managing charitable gifts or bequests.

The FMC Leadership Council unanimously recommends that the congregation approve the Fund Policies and Procedures.

### **Committee**

The Fund would be administered by a 5-person Committee – Council Vice-Chair, current or recent Finance Commissioner, and 3 other members of FMC approved by the congregation. The Committee would hold regular meetings, accept gifts of various kinds, oversee outside investments, publicize the Fund, and disburse funds.

### **Investments and Records**

The Committee would make socially-responsible investments using one or more outside managers, and keep careful books and records.

### **Stewardship Fund Accounts**

Donors could specify the account(s) that they want their money to go into. If there is no designation, the Committee would allocate the gift or bequest. Money from the Fund could only be used for special projects and capital projects, not the annual operating budget.

Two basic types of accounts would be maintained – Endowment and Quasi-Endowment. Only income could be spent from the Endowment Account; income and principal could be spent from the Quasi-Endowment Account (see below). Income from the Endowment Account would be distributed to the Quasi-Endowment Accounts by the Committee.

The Quasi-Endowment Account would be divided into 4 program accounts:

- Facilities
- Education
- Music
- Program and Outreach

A maximum of 10% of the principal could be spent each year from these program accounts, except for Facilities, which would have no annual limit on spending principal. Examples and guidance for disbursements from the 4 program accounts are provided in the Policies and Procedures.