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Endowment Team Distribution Protocols North Avenue Presbyterian Church Permanent Endowment August 2020

Resources in the Endowment exist to facilitate the mission of Jesus Christ as experienced by North Avenue Presbyterian Church (NAPC). These protocols for distribution of those resources seek to design a system of funding from the Endowment that is well reasoned, intentional and transparent. Donors to the Endowment should feel assured that their donated resources will be thoughtfully used and that the intentions of generous donors will be faithfully considered and followed to the extent possible and practical under the law.

Protocols for Endowment Team Authorization of Spending

1. All requests for funding from the Endowment, shall be received through and with the support of a Ministry Team of the Church to the Endowment Team in writing, and adhere to the attached Protocols for requesting Endowment funding outlined in Part B below.
2. All requests for distribution of funds from the NAPC Permanent Endowment shall be satisfied only from those funds available after application of the Endowment Spending Rule where applicable and in compliance with the Endowment Principles and the Gift Acceptance Protocols.
3. The Endowment Team shall discourage requests for funding which appear to arise out of a need to support an ongoing or regular church function or program, previously or routinely considered part of the annual operating budget of the church, even if, for any reason, the program is not currently supported by the NAPC operating budget.
4. While it is acknowledged that funding by the Endowment should be for ministry needs outside the normal operating budget, it is also noted that the Endowment Principles allow for the exception to the rule for the rare circumstances described in the Principles of the Endowment, in Section V. C. 4 and that the Endowment Team retains the ability to exercise discretion for spending requests under unique circumstances, in consultation with the Session.
5. The limited pool of funds available on a yearly basis from the Endowment is viewed as primarily given and preserved to allow the church flexibility to pivot to new opportunities and visions in keeping with the NAPC mission and to support the long-term future and unpredictable landscape of the church and its mission.
6. In considering the appropriateness of funding requests, the Endowment Team should look to and support NAPC's core values and stated strategic initiatives as established by the Session, as a primary context for its review of funding requests.
7. In keeping with the Endowment Principles, the Endowment team will only administer and authorize funding out of donor restricted funds held in the Endowment if those funds are in compliance with the Gift Acceptance Policy, as authorized by the instructions of the donor.
8. The NAPC Endowment welcomes and encourages all donors. Unrestricted gifts are always encouraged and favored. Donors are asked to prayerfully consider making a gift without restrictions or preferences to the general Endowment Funds, acknowledging that such gifts express the donor's faith and trust that the Endowment Team, as appointed leaders of NAPC, will be guided by the Holy Spirit and, following protocols established, will preserve, invest and spend the Endowment resources appropriate to the time and circumstance, with thoughtful deliberation, wisdom and prayerful discretion.

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9. The Endowment team also recognizes that some donors feel a heartfelt passion or calling to give resources directed toward a certain area of ministry or mission. Acknowledging this, the Endowment team has established general themed categories of funds to allow donors to express their preferences and feel assured that future Endowment teams will be guided in their deliberations regarding funding, by the donor's expressed preferences.

10. The designated funds currently established for giving with a donor preference for use are identified in the attached Appendix A. Gifts accepted into one of these funds are accepted where stated as having a preference by the donor for its use, but not as a formal limiting restriction. The Endowment Team will respect donor preferences and take them into consideration when using these gifts.

11. Periodically but ideally not more frequently than every five years, the Endowment team after careful review and consideration of donor intentions, and the mission and strategic goals of NAPC, may by formal vote adjust the thematic categories of donor preference funds. The Endowment team shall always strive to achieve consistency and general compliance with past donor intentions.

Protocols for Parties requesting Endowment Funding:

In accordance with Item 5 of the SPENDING RULES PROTOCOLS adopted by the North Avenue Presbyterian Church Endowment, the Endowment team has developed the following distribution steps to be followed in determining how monies might be distributed to and invested in a variety of organizations and causes affiliated with or projects initiated by North Avenue Presbyterian Church and its members and staff, as follows:

1. A need, benevolence, or special project or idea which enhances the mission, programs or reach of NAPC and requires funding consistent with the mission of the Principles of the Endowment, should be identified by one of the many church ministry teams. Such need or project is expected to be discussed and approved within such ministry team before being brought before the Endowment Team.

2. The Chair or staff member assigned to the team will prepare a written proposal for the review of the Endowment Team, preferably within the budget window prior to its annual approval by the Session in June of each year. With the church fiscal year ending June 30, this window will generally fall between the months of January and May. This review should include not only the expected costs of such a project, but also the expected long-term impact of it and its benefits to the church or the community as a whole. If a need is identified outside of the normal budget window, these needs also can be addressed, but the preference is to review these items at the February and May Endowment Team meetings.

3. In the development of new initiatives, the ministry teams are encouraged to invest some of their own budgeted monies on top of those requested of the Endowment so that the team might be more fully committed to the request and so that, if appropriate and successful, the effort and supporting funds might become a part of the ministry team's annual budget in future years.

4. The ministry team, after sharing the written proposal with the Endowment Team Chair, will likely be asked to attend the next Endowment Team meeting (held quarterly) and to formally present their request.

5. If the Endowment Team's request for endowment funding is approved, the Executive Director of Finance and Operations will work with the Endowment's Investment Management team to make the appropriate funds available to the ministry team in line with their projected needs. These funds may reside in the temporarily restricted "Endowment Disbursements" account (080186) until needed. Any unused funds at the end of the project will be returned to the Endowment Fund.

6. It should not be assumed that an approved funding by the Endowment Team in one year will be automatically renewed each year. Rather each funding request should be presented with a time frame for future funding, which includes the possibility, but not the guarantee, of Endowment support for a maximum of three to five years.

Appendix A

The Ottley and Cody Memorial Fund: Named after two of the Original donors and visionaries of the Endowment, the new Ottley and Cody Memorial Fund is a general fund for use by the Endowment Team subject only to its prayerful and good faith discretion, compliant with these protocols. All resources within this Fund have been donated without restriction or preference by donors in support and love of North Avenue Presbyterian Church.

The Corner Fund: A general fund for support the evolving campus and grand structural needs of the NAPC church. This fund is not intended to cover normal and reasonably anticipated repair, maintenance and replacement expenditures of the operation of a church building, but rather to support the evolving needs of a flourishing church community on its campus and in its building.

The MacMillan Fund: Donors with a calling or preference for the use of their funds may choose to donate to this fund, named after a generous original donor. The resources held in this fund, have been given by donors who wished to state a narrower, thematic preference for the use of their gifts. The thematic categories for preferred use of gifts are:

Worship, Music and Arts—support for capital expenses of relevant worship and its support in the arts and music

Leadership, Education and Christian Formation: support for leadership, education, training and development of Clergy, staff and lay leaders and for efforts to support Christian formation and grow the programs of children, youth, young adult and adult ministries.

Benevolence and Congregational Care: general support for those in need who seek help at or through NAPC and support for those in our congregation who find themselves in difficult circumstances as well as strategies and programs to support the sick, lonely and economically challenged within our community.

World and Urban ministries: support of partners serving the world and our city in mission fields.

Emerging opportunities : support for new ideas and emerging nonprofits, social justice initiatives and start up programs whose goals align with the mission of NAPC; needs we cannot imagine or predict but may want to support to spread Christ's love and mission in a changing world.