

Notice to the Parish:

Revisions to the St. John's Episcopal Church Endowment Plan of Operation

The St. John's Episcopal Church Endowment Plan of Operation (the "Plan") was adopted in January 2012. It establishes and describes a wide variety of operational matters related to the management of St. John's Endowment, and provides a structure under which the Endowment Board would operate. In December 2016, on the recommendation of the Endowment Board, the Vestry adopted amendments to the Plan.

The Diocesan Chancellor reviewed the Plan, as required at that point. He observed that since members of the Endowment Board are elected by the parish, the Vestry is not in control of the Endowment's assets as required by Canon 23, Section 1 of the Diocesan Canons.

Our exceptional and hard-working Endowment Board has revised the Plan, providing for the appointment of members of the Endowment Board by the Vestry, along with other changes considered necessary by the Board. The Diocesan Chancellor has informed us that the revised Plan has "satisfactorily addressed the critical issues raised" in his prior review of the Plan.

The existing Guidelines of the Endowment Board require specific time periods of notification to the entire parish before the Vestry can approve any revisions. Providing those revisions to you at this time satisfies those requirements. It is expected that the Vestry will vote on the revised Plan at the January 2018 Vestry meeting. You are invited to contact either members of the Endowment Board or the Interim Rector if you have questions about these changes.

Members of the Endowment Board are:

Paul Devine Jim Gamble Fred Gresset Vic Howie
Patrick Leake Melissa Miller Rick Parker Gary Williams

The current Plan of Operations and a document describing the changes are on the St. John's website (<http://saintjohns-charlotte.org/>). They will also be available in the church office.

In general, the more significant revisions to the Plan are as follows:

Endowment Board Members

Revised Plan

The Endowment Board shall be appointed by and serve at the pleasure of the Vestry. Each year at the November Vestry meeting three new members shall be appointed to replace those with terms expiring December 31st of that year. Terms begin January 1st. Vestry members shall be eligible for appointment to the Board.

Current Plan

The Endowment Board is elected by members of the parish. Each year at the Annual Meeting three new members are elected to replace those with terms expiring. No Board member may serve concurrently on the Vestry. (The St. John's By-Laws Amendment XI, concerning the

Endowment, will be amended to reflect this change.)

Identification of Bequests

Revised Plan

More clarity and structure has been included in identification of bequests to the church. Best efforts shall be made to determine if bequests designated for a specific purpose should be directed to their designated purpose as an endowment or established as a designated account of the parish to be disbursed currently. Bequests in which the donor has not identified a specific purpose to which the funds should be directed will be transferred to the Endowment's undesignated account. Memorials received in memory of deceased parishioners will also be transferred to the Endowment's undesignated account.

Current Plan

Best efforts shall be made to determine whether bequests to the church are intended to be part of the endowment and if so, whether there are any restrictions on the use of the gift.

Minimum Balance

Revised Plan

A designated account can be created within the Endowment by lifetime gift or a bequest of at least \$10,000.

Current Plan

A designated account can be created within the Endowment by lifetime gift or a bequest of at least \$25,000.

Distribution Limitations

Revised Plan

Only the Endowment Board can approve changes to distribution limitations and timing of distributions of existing Endowment accounts and designated accounts created in the future.

Current Plan

The Endowment Board may recommend changes, and the Vestry may approve such changes to the distribution limitations and timing of distributions of existing Endowment accounts and designated accounts created in the future.

Invasion of Principal

Revised Plan

In order to invade the principal of the Endowment, a parish-wide meeting must be announced and held at which time the Endowment Board Chair and Vestry Finance Committee Chair shall present the request for funds and detail why using them is necessary. A period of two weeks must be allowed for review and comment by members of the parish. A two-thirds majority vote by the Endowment Board is needed to recommend to the Vestry such use of funds and a three-fourths majority vote of the Vestry is needed to approve such use of funds. The results of the vote of the Vestry must be published and distributed to the parish.

Current Plan

No provision.

Amendments to Plan of Operation

Revised Plan

Prior to a vote by the Vestry on any amendment(s) to the Plan of Operation, the Vestry shall provide written notice to the parish of the proposed amendment(s) at least 45 days and at least one Vestry meeting between the publication of the notice and the meeting at which the vote on the proposed amendment(s) is to take place.

Current Plan

Prior to a vote by the Vestry on any amendment(s) to the Plan of Operation, the Vestry shall provide written notice to the parish of the proposed amendment(s) at least 90 days and at least three Vestry meetings between the publication of the notice and the meeting at which the vote on the proposed amendment(s) is to take place.

The revised Plan of Operation in its entirety will be posted to St. John's website.