

**EXHIBIT B**

**ENDOWMENT FUND OPERATING POLICY**

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(Name of Parish, School, Agency or Entity)

I. NAME

The name of the Endowment Fund shall be the:

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II. PURPOSE

To receive contributions from interested persons or organizations for the purpose of conducting and carrying on the work of:

| <u>Parish, School,<br/>Agency or Entity</u> | <u>For the following specific purposes</u> | <u>Endowment type</u> |
|---|--|-----------------------|
| 1.  |  |                       |
| 2.  |  |                       |
| 3.  |  |                       |
| 4.  |  |                       |

NOTE: List all entities within the organization for which there will be a separate sub-account created within the overall organizational endowment.

## II. ADMINISTRATION

**Endowment Advisory Board:** The Endowment Fund shall be monitored by the parish finance committee or by a designated endowment advisory board. If monitored by an endowment advisory board, the board shall consist of no fewer than five members and no more than nine members.

The endowment advisory board will serve in an advisory capacity to the:

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Pastor, Superintendent, Director or Officer

The advisory board shall initially consist of (      ) persons. Advisory board members shall serve strictly in a voluntary capacity and shall not receive compensation for their services.

### A. Function

The function of the endowment advisory board is primarily two-fold: (1) to market the program, soliciting contributions to the endowment; and (2) to recommend annually the specific allocation, if any, in accordance with withdrawal policies established by the Diocesan Investment Committee. This entire procedure must be done in consultation with the parish finance committee or other groups performing this function in the parish, school, agency or entity and always subject to the approval of the pastor, superintendent, director or officer.

### B. Appointments

Members of the endowment advisory board and all subsequent successors shall be appointed by the pastor, superintendent, director or officer, after consultation with the parish council or other parish, school or agency governing board. No board member, except the pastor, superintendent, director or officer may serve more than two consecutive five-year term. If appropriate, a pastor, superintendent, director or officer may choose to appoint the chairman of a council or committee, e.g., parish council, finance committee, school board, or parent committee, etc., to the board as ex-officio members and those individuals would serve terms in accordance with their terms as council/board members.

C. Officers

Officers of the endowment advisory board shall be: President, Vice President, Secretary, and Treasurer. Officers shall be selected by the members at the initial meeting and annually thereafter. Minutes of each meeting shall be recorded by the secretary of the board and kept on file with the pastor, superintendent, director or officer.

D. Terms of Office

Terms of office for the endowment advisory board shall be as follows:

1. Pastor, superintendent, director or officer – Term to coincide with his tenure as pastor of the parish, superintendent of the school, director or officer of the agency and will serve as executive officer of the Endowment Fund.
2. Other members – the initial members shall have staggered terms (to be determined at the initial meeting of the advisory board). Their successors shall be appointed for a term not to exceed five years. An exception to these terms would be in a case where council or committee chairmen are serving simultaneously while chairing their respective committees.

E. Meetings/Quorum

The endowment advisory board shall meet as required, but at least twice annually. Special meetings may be held upon request of two members with the consent of the pastor, superintendent, director or officer; or shall meet as called by the pastor, superintendent, director or officer. A quorum for the transaction of business at the meetings shall be a majority of the members of the board. A majority vote of such quorum shall be necessary for the transaction of business.

F. Expenses

Any operating expenses at the entity level specifically associated with the purpose of the Endowment Fund must be approved in advance by a majority of the members of the board.

#### IV. RECORDS

- A. The Endowment Fund shall operate on a fiscal year, from July 1 of one year through June 30 of the following year.
- B. The accounting transactions of the Endowment Fund are to be recorded as part of the parish, school, or agency records, but segregated into a separate “Endowment Fund” of the parish, school, or agency.
- C. The treasurer shall be responsible for the detailed records of receipts and disbursements of the Endowment Fund and shall have an annual report of the Endowment Fund prepared at the end of each fiscal year. The annual report of the Endowment Fund shall be made available to the parish, school, agency or entity, and reported together with year-end financial positions. The annual report shall include the following information:
  - 1. Fair market value of the named Endowment Fund;
  - 2. A list of all contributions received (amounts and sources thereof). For gifts in excess of \$\_\_\_\_\_, the name(s) of the donor(s) (if permission is granted by the donor);
  - 3. Amount of annual current earnings;
  - 4. Amount of disbursements;
  - 5. Other information as deemed appropriate by the advisory board.
- D. A copy of the Annual Report shall be submitted to the Office of Development and Planned Giving each year.

#### VIII. DISSOLUTION

- A. In the unlikely event that the purpose for which the Endowment Fund was created ceases to exist, or it is determined that it should be dissolved, the Endowment Fund’s assets must be distributed to organizations established and operated exclusively for charitable, educational, religious, literary, or scientific purposes as shall at the time qualify as exempt organizations pursuant to Section 501(c)(3) of the Internal Revenue Code or as designated by donor making explicit stipulation. In such an unlikely event, the assets of this Endowment Fund shall be distributed as follows:

*(NOTE: All entities listed must be Catholic organizations that abide by Catholic Church teaching.)*

- B. If no predetermined allocation or distribution in the event of dissolution has been included in this Agreement, it will then be up to the Endowment Advisory Board, in consultation with the pastor, superintendent, director or officer, in accordance with Item A above, to recommend the final dissolution and distribution of the Endowment Fund. On donor-restricted gifts, there is a moral obligation to honor the intention of the donor. The final dissolution and distribution is subject to the approval of the Bishop of Wichita.

IX. AMENDMENTS

The board, subject to the approval of the pastor, superintendent, director or officer, the parish council or other parish, school, agency or entity governing board, and the Bishop of Wichita, may amend some components of this agreement from time to time.

Signature: \_\_\_\_\_  
(Pastor, Superintendent, Director, Officer)

Signature: \_\_\_\_\_  
(Bishop of the Catholic Diocese of  
Wichita or his designee)

Revised – 2/2005