

# **Cedar Springs Presbyterian Church Foundation**

## **Operating Guidelines**

### History and Purpose

The Cedar Springs Presbyterian Church Foundation, Inc. (“The Foundation”) was created in 2010 as a supporting organization to the Cedar Springs Presbyterian Church (CSPC) and is an IRS approved 501 c (3) corporation. The Foundation was created to support the programs, mission, and ministries of Cedar Springs Presbyterian Church while facilitating the long term stewardship plan of its members for gifts over and above their support of the operating budget, world missions, and special fund-raising events like capital campaigns and emergency relief to victims of natural disasters.

The Foundation is governed by a Board of Directors selected by the Session and elected by the CSPC Corporation. The Board will consist of up to 20 members of Cedar Springs Presbyterian Church. The Foundation supports ministries and activities approved by the Session of the Church and shall not be used to endow permanent positions or programs of the Church.

The primary sources of gifts to the Foundation are estate bequests, gifts through living trusts, memorials, and special use gifts.

One of the purposes of the Foundation is to encourage endowment giving from the members and friends of Cedar Springs Presbyterian Church to facilitate the continuation of the Great Commission. With this in mind, control features have been established to ensure this purpose is carried out. A summary of these features follows:

### **Administration**

- 1) The Board of Directors will appoint all committees.
- 2) Administrative controls will be established for managing gifts received, investments made, grants made, and operating expenses. The Foundation will maintain CSPC calendar year accounting and set dates for grant deadlines and disbursements.
- 3) Administration will follow Foundation By-Laws to develop forms for acknowledging gifts, grant guidelines and applications, and standard correspondence for letters of acceptance and rejection.
- 4) The Foundation will prepare an annual earnings report along with funds for the CSPC Session Leadership Team along with instructions as to donor’s wishes for how these gifts are to be used.

- 5) The Foundation accounting records will be maintained by the Church and provide necessary separate accounts for four types of funds: Undesignated endowment funds, designated funds, currently expendable funds, and memorials funds. Reports will be furnished to donors and members upon request.
- 6) Until sufficient endowment funds have been received which would allow for a Foundation Director to be hired, the CSPC business office will manage the affairs of the Foundation under the direction of the Foundation Board of Directors.
- 7) CSPC Administration will furnish an annual report and annual audit to the session and members of Cedar Springs Presbyterian Church.
- 8) Administration will assure donors of the confidentiality of their gifts as requested to the extent the Law allows.

### **Development**

- 1) Responsibility for accepting gifts in keeping with foundation/church mission purposes rests on the Board of Directors.
- 2) The Foundation's goal is to support the ministries and purposes of Cedar Springs Church and to encourage members to view stewardship of God's blessings as a lifetime responsibility. The secular world's theme of "tax savings" as reason to give will be downplayed.
- 3) The Foundation will not own real property "used" by CSPC. Those assets are held by CSPC Corporation.
- 4) The Foundation Board clearly recognizes its fiduciary responsibility to manage and administer gifts according to the wishes of the donor.
- 5) The Foundation will raise money quietly, using current and planned giving techniques. Experienced tax professionals will be made available to assist members' professional advisers when requested. Timely tax reporting information will be provided to donors.

### **Investment**

- 1) The Foundation has been created as an organization operated by "like minded" people with a long term performance and investment philosophy in mind.
- 2) It is expected the Foundation will manage gifts given for endowment purposes, both of a designated and undesignated nature. Gifts given to CSPC for current purposes/operations will not flow through the Foundation.

- 3) The Board will appoint members of the Investment Committee and may hire a manager or management firm for the Foundation's funds.
- 4) The Foundation will develop a prudent, somewhat conservative investment policy that is managed by respected investment managers with an established and successful investment record. The Investment Committee will develop an Investment Policy Statement (IPS) under the counsel of the Foundation's investment advisors. The IPS must be voted on and approved by the Foundation Board.

### **Disbursement**

- 1) The Foundation is required to use its resources to promote the Kingdom of God through the approved ministries of Cedar Springs Presbyterian Church in Knoxville, America, and around the world. Any change in the use of resources would require the approval of the Session of Cedar Springs.
- 2) The Board will be asked to approve an annual budget at the end of each year for the following year that will include the following year's Undesignated Fund expenditures. Budgeted expenditures from the Undesignated Fund shall equal 5 percent of the Fund's currently invested assets (with no assumed gifts). Actual expenditures from the Undesignated Fund will be adjusted up or down at the end of each year depending on the actual earnings from the invested assets and additional gifts (if any) received during the year. If actual earnings fall below the budgeted 5 percent for an unreasonable number of years, the Undesignated Fund spending level shall be adjusted to recapture lost principal from the prior years' expenditures.
- 3) In keeping with #2 above, a capital preservation policy may also be adopted with the intent of preserving the real dollar value (taking into account inflation) of the original Undesignated Fund gift as well as any additional gifts that are received.
- 4) Care will be given in applying the capital preservation policy so that annually budgeted revenues are provided on as consistent a stream as practicable (see #3 above).
- 5) The ministries directly or indirectly supported by the Foundation will agree to give the Foundation an account for any and all grants made by this Foundation. In concert with the Global Missions Group, the Foundation reserves the right to perform audits or request audits of any ministry which it supports. Members of CSPC may visit ministries supported by the Foundation to observe the ministries' operations, or assist these ministries to fulfill their missions.

- 6) The Foundation will establish and follow grant guideline dates for accepting grant requests, disbursing funds, and notifying recipients of grant approvals and issuing grant denials.

**Adopted by the Board of Directors**

Adopted on the 28<sup>th</sup> day of March, 2011, by the Board of Directors of Cedar Springs Presbyterian Church Foundation.