

GUIDELINES FOR OPERATION OF DONOR FUNDS

Following is a summary of donor fund types that can be held in the Western New York Diocesan Investment Trust:

ENDOWMENT FUND

This arrangement preserves the fund's principal in perpetuity while providing a prudent proportion of the market value to be made available annually to support the work of the church. The portion of the fund made available for use each year may either be (i) subject to donor restriction(s) or (ii) unrestricted, which means the funds will be used for the most pressing church need at the time. The needs will be determined in the manner specified in the governing instrument (Donor Fund Agreement).

- The donor of the initial gift will have naming rights for this endowment.
- \$25,000 is the minimum initial contribution.
- Additional gifts of \$100.00 or more will be accepted.
- The gift will be held in perpetuity.
- Designated beneficiary will be an Episcopal Church entity or entities within the Episcopal Diocese of WNY unless otherwise approved by the Bishop in the Donor Fund Agreement.
- Purpose may be restricted by the donor/advisor subject to the approval of the Bishop in the Donor Fund Agreement.
- Donor may choose among investment styles offered within the Western New York Diocesan Investment Trust. Current options include a Balanced Fund, a Bond Fund, a Money Market Fund and a S&P 500 Index Fund.
- Donor may choose among current valuation and distribution styles offered. See the Donor Fund Agreement.
- An Advisor or Advisors may recommend distribution of the funds.
- Fund variance power is as specified in the Donor Fund Agreement.

NON-ENDOWMENT FUND

This arrangement anticipates expenditure of the entire fund. There are two types of non-endowed funds available: (i) temporarily restricted (with a time-related or a scope of purpose restriction or both) or (ii) unrestricted. The manner of use for the funds will be determined in the manner specified in the Donor Fund Agreement.

- The donor of the initial gift will have naming rights for this fund.
- \$10,000 is the minimum initial contribution.
- Additional gifts of \$100.00 or more will be accepted.
- This gift is not intended to be held in perpetuity.

- Designated beneficiary will be an Episcopal Church entity or entities within the Episcopal Diocese of WNY unless otherwise approved by the Bishop in the Donor Fund Agreement.
- Purpose may be restricted by the donor/advisor subject to the approval of the Bishop in the Donor Fund Agreement.
- Donor may choose among current investment styles offered within the Western New York Diocesan Investment Trust. Current options include a Balanced Fund, a Bond Fund, a Money Market Fund and a S&P 500 Index Fund.
- An advisor or Advisors may recommend distribution of the funds in their entirety.
- Fund variance power is as specified in the Donor Fund Agreement.

POOLED ENDOWMENT FUND

There will be a common beneficiary for this type of fund, e.g. a local Episcopal parish or Episcopal charitable organization.

- \$1,000 is the minimum initial contribution.
- Additional gifts of \$100.00 or more will be accepted.
- The gift will be held in perpetuity.
- Designated beneficiary will be an Episcopal Church entity within the Episcopal Diocese of WNY unless otherwise approved by the Bishop when the fund is initially set up.
- The portion of each fund made available for use each year will be unrestricted, meaning the funds will be used for the most pressing church need at the time at the discretion of the governing body of such entity e.g. the vestry of a parish.
- Assets in each Pooled Endowment Fund shall be invested in Fund A of the Western New York Diocesan Investment Trust or its successor balanced portfolio.
- The Trustees' policy will determine the amount of distribution (which at the current time is 5% of the rolling 5-year average of the market value) of the fund.
- Fund variance power is as specified in the Donor Fund Agreement.

Other General Guidelines

1. All donor funds will be administered under a written Donor Fund Agreement between the Protestant Episcopal Diocese of Western New York, and the Donor(s). These general guidelines are to become a part of each such fund agreement. The Bishop after consultation with the Trustees, may change the general guidelines in the future, from time to time. The general guidelines, as so amended, shall apply to each and every Donor fund.

2. Gifts which do not immediately qualify for a named fund, but which are part of a plan for future giving which will eventually qualify the fund, may be invested as a separate account in the Western New York Diocesan Investment Trust at the discretion of the Bishop.

3. Distributions from donor funds are governed by the Trustees' minimum distribution policy in effect at the time of distribution. The current minimum amount for distribution is \$100. The minimum amount for distribution is subject to change.

4. Unless the Donor Fund Agreement provides to the contrary, the number of minimum distributions during the year shall be in the discretion of the Trustees.
5. Advisor(s) (and Successor Advisor(s), if any), are to be specified in the original Donor Fund Agreement, and may include the donor or other named persons.
6. Donors or Advisors may not choose the individuals who are to benefit from distributions from donor funds. For example, if the Advisor recommends that a scholarship is awarded from a donor fund for a particular purpose, the church selects the awardee(s).
7. At the present time, the Western New York Diocesan Investment Trust provides a quarterly report on activities of each fund. The frequency and content of reports from the Western New York Diocesan Investment Trust may change in the future.
8. All gifts, other than cash, are subject to review for acceptability under the Trustee's gift acceptance policies in effect at time of the gift.

Adopted _____, 2014