

St. Luke's Episcopal Church
Original Date: May 11, 2009
Policy Owner:

Policy # _____
Current Revision: December 9, 2017
Scheduled Review: Month ____, _____

Gift Acceptance Policy

I. Policy Statement

This document describes the administrative policies and procedures to be used by St. Luke's Durham in accepting and recording gifts from parishioners and others. The policies described are intended to permit some flexibility, and the vestry retains the right to modify or apply these policies as it believes appropriate.

The vestry reserves the right to decline any gifts that would 1) not serve the mission or reflect the values of St. Luke's, 2) require restrictions from the donor that St. Luke's might not be able to meet, or 3) create an administrative or expense burden. No representative of St. Luke's can provide any legal, financial or tax advice to a donor regarding gifts.

Any question which may arise in the review and acceptance of gifts to the St. Luke's Episcopal Church will be referred to the vestry.

II. Procedure

A. Cash Gifts by Check

1. Gifts by check shall be accepted by St. Luke's Episcopal Church, regardless of amount. All checks are received subject to collection. Checks may be mailed, hand delivered, or deposited in the church lockbox in the closet off the south narthex.

2. Checks shall be made payable to St. Luke's Episcopal Church, or to the St. Luke's Heritage Fund. In no event shall a check be made payable to an individual as a representative of St. Luke's Episcopal Church or the broader church in any capacity. Notations concerning the check e.g. "Clergy Discretionary Fund" or "Pecans" should be made on the front of the check.

3. St. Luke's Episcopal Church will generally record the receipt of a cash gift as of the date on which it was physically received. However, when a postmark or other evidence indicates that the donor relinquished control over the

check or cash on an alternative date, that date may be used as the date of receipt.

If the date of the gift is in doubt, St. Luke's will issue a gift receipt that states: 1) the date written on the check, 2) the amount of the check, 3) the postmark date, if applicable and available, and 4) the date St. Luke's received the check. If a donor indicates the date they mailed the check, St. Luke's will note on the receipt that the donor indicated such a mailing date.

B. Cash Gifts in Currency

St. Luke's will accept gifts in cash in the form of American currency. If a receipt is requested for a cash gift, an appointment should be scheduled through the church office to deliver such gift and simultaneously receive a receipt. St. Luke's will adhere to any applicable reporting requirements for receipts of currency.

C. Publicly Traded Securities

1. Readily marketable, exchange listed, securities, in either certificate or book entry form, may be accepted by St. Luke's Episcopal Church through its broker. The church office or its designated broker representative will provide information about how to transfer securities to St. Luke's. St. Luke's cannot be responsible for any delays in the transfer of stock, which might affect the timing of tax deductions for the donor.

2. A gift of securities normally will be liquidated immediately and the value of the gift recorded as the net cash received by St. Luke's. If not liquidated immediately, the gift will be valued at the closing price on the date of transfer to St. Luke's brokerage account. Any increase in value after the date of the gift will accrue to St. Luke's and any decrease in market value would be absorbed by St. Luke's. The amount on the St. Luke's receipt may or may not be equal to the amount deductible by the donor on his/her tax return.

D. Closely Held Securities or Interests in Limited Partnerships

1. St. Luke's will consider accepting gifts of closely held securities or interests in limited partnerships after consultation with the donor, their advisors and agreement by the vestry or vestry appointed representative(s).

2. Prior to acceptance, the vestry or vestry appointed representative(s) will explore any other issues which would impact St. Luke's or its ability to utilize the gift. The vestry may require that St. Luke's obtain professional advice on the matter, at the donor's expense.

3. Generally, the vestry will not accept the gift of a partnership interest or any other gift where there is an associated potential liability in excess of the net realizable value of the gift at any time in the future.

E. Life Insurance

1. St. Luke's will always welcome being named the **beneficiary** of a life insurance policy.

2. An **outright gift** of a life insurance policy while the insured is living must be referred to and agreed upon by the vestry or vestry appointed representative prior to acceptance.

a. The vestry will accept a life insurance policy as a gift only if St. Luke's Episcopal Church is named as the owner and beneficiary of 100 percent of the policy. The transfer of an existing life insurance policy must be made by completing paperwork through the issuing life insurance company. Such a gift would be considered completed on the date ownership rights are transferred to St. Luke's.

b. The value of a gift of a life insurance policy for gift crediting and accounting purposes, whether paid up or partially paid up, must be requested from and is provided by the issuing life insurance company. Donor agrees to provide this information to St. Luke's.

c. The donor may communicate their preference as to whether St. Luke's will hold the insurance policy until the time of the insured's death or surrender it for its cash value. Once St. Luke's becomes owner of the policy, St. Luke's will determine whether to hold or cash in the policy.

d. If a donor transfers ownership of a partially paid up policy to St. Luke's, and continues to make future premium payments, they should coordinate these payments through St. Luke's and with the guidance of their own advisors.

F. Tangible Personal Property

1. Any gift of tangible personal property valued over \$1,000 shall be referred to the vestry or vestry-Appointed Representative prior to acceptance. A gift of tangible personal property with a Fair Market Value of \$1,000 or less may be accepted or declined by either warden or the rector. A gift of tangible personal property intended for resale through a formal Activity of the church, e.g. for the Spring Fling, may be accepted by the leader of that Activity to be sold "as is, where is". St. Luke's reserves the right to decline any gift of tangible personal property.

2. A prospective gift of tangible personal property, such as jewelry, artwork, collections, equipment, and software shall be considered by the vestry solely for its value to St. Luke's Episcopal Church, which may be realized either by being sold or by being used in connection with St. Luke's Episcopal Church's exempt purposes.

3. St. Luke's will not make a formal valuation or appraisal of any gift of tangible property. St. Luke's will issue a receipt indicating only the donor, the date of donation, and the nature and condition of the item received. Where the reasonably estimated value of a gift of tangible personal property is substantial, the vestry may authorize obtaining an appraisal for insurance purposes and may cooperate with the donor should the donor desire to obtain an appraisal for tax purposes. St. Luke's will adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide applicable forms to the donor and IRS.

G. Real Estate

1. Gifts of real estate must be reviewed and accepted by the vestry. Such acceptance and completion of the gift to St. Luke's must occur BEFORE any sale or other disposition of the asset is contractually agreed or takes place. St. Luke's reserves the right to decline gifts of real estate. Acceptance by the vestry of any proposed gift of real estate shall be approved through the Diocese of North Carolina.

2. If there is a mortgage on the property, acceptance of the gift and assumption of the mortgage or the creation of a new mortgage by the vestry may require the assent of the Diocesan Standing Committee.

3. The donor normally is responsible for obtaining and paying for an appraisal of the property and updated abstract of title. The appraisal will be performed by an independent professional appraiser selected by the donor and satisfactory to St. Luke's.

4. The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, when possible, it must show documented valuation of comparable properties located in the same area.

5. The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the fair market value, a legal description of the property, the zoning status, and complete information regarding all mortgages liens, litigation, or title disputes.

6. The donor shall disclose any known or suspected environmental issues with the property.

7. St. Luke's Episcopal Church reserves the right to require a donor-paid independent professional environmental assessment of any potential real estate gift.

8. All property taxes and inheritance taxes must be paid prior to St. Luke's Episcopal church accepting the gift.

III. Gifts made in Special Forms

A. Deferred Gifts

1. St. Luke's Episcopal Church encourages deferred gifts in its favor through any of a variety of vehicles. Many of these may be coordinated with assistance from the Episcopal Church Foundation and/or with the assistance of the donor's professional legal, tax and/or financial advisors:

a) charitable gift annuity (or deferred gift annuity)

b) pooled income fund

c) charitable remainder trust

d) charitable lead trust

e) bequest via a will

f) bequest via a beneficiary designation (requires only the update/completion of a form for changing a primary or contingent beneficiary, which can be obtained from the custodian of an IRA or retirement plan or from the insurance company.)

g) retained life estate, commonly used with gifts of real estate

2. St. Luke's Episcopal Church or its agent shall not act as trustee of a charitable remainder trust.

B. Other Considerations

1. In the event that a donor offers to make a gift to St. Luke's in the form of a partial interest in an asset, including an asset in which the donor retains a partial interest or in which the donor transfers part of the asset as a sale and the remainder as a gift (a sale for less than Fair Market Value), the vestry may accept or reject the gift in light of these policies and the interests of St. Luke's.

2. If a non-cash gift to St. Luke's is made in fulfillment of a previous pledge, whether to the operating budget or to a Special Fund, the non-cash asset shall immediately be liquidated and the net cash received by St. Luke's shall be

recorded as a payment against the prior pledge, unless the vestry shall approve another procedure.

3. Gifts to St. Luke's are generally tax deductible when made for the benefit of the parish as a whole, and not solely for the benefit of specific individuals. Consequently, a payment or asset transfer to St. Luke's intended to benefit only a specific individual may not be received (and a receipt issued) as a tax deductible gift if the individual directly receives and controls that benefit. For example, a payment to St. Luke's to contribute to a purse for a departing clergy member would not be treated as a tax deductible gift.

4. We encourage donors to allow their gifts to be publicized to inspire gifts by additional donors. However, the name, amount, or conditions of any gift shall not be published without the express written approval of the donor and/or beneficiary.

5. At least annually the vestry will report to the congregation its acceptance of restricted gifts, including the amount and nature of restrictions.

6. As appropriate, St. Luke's Episcopal Church will seek qualified professional counsel in the exploration and execution of all planned gift agreements. St. Luke's Episcopal Church recognizes the right of fair and just remuneration for such professional services.

IV. Unrestricted, restricted, or endowment classifications

A gift to St. Luke's is recorded into a fund that is one of three types: unrestricted, restricted, or endowment. See the attached "Funds at St. Luke's" document for appropriate allocation of the gift.

A. Unrestricted Gift are gifts that are applied to the General Fund with oversight from the vestry to use as needed, without restriction from the donor.

B. Restricted Gifts

1. Restricted Gifts above \$500 must be pre-approved by the vestry. Gifts that are donor-restricted to support a specific type of operating expense are held in a Restricted Special Fund until the supported expenditure is made; then the gift is transferred to the General Fund and used to pay the specific supported expense.

2. A restricted gift has to be considered in light of these criteria:

a. Is the donor's goal aligned with St. Luke's mission as a parish?

- b. Can the donor's goal be accomplished with the resources being offered?
- c. Will the parish incur any continuing cost related to the gift (maintenance, etc.)?
- d. Can the donor's goal be accomplished in a reasonable time frame, and is its achievement clear enough to allow agreement that the project is complete?
- e. Will the benefits to the parish be widely seen, understood and accepted by the congregation?

If these conditions are met, the vestry will have the final decision on accepting the Restricted Special Gift and overseeing the work to achieve its purpose.

The vestry reserves the right to decline any gift that does not further the mission of St. Luke's. Also, any gift that would create an administrative burden or cause St. Luke's to incur additional expenses may be declined.

Gifts that are restricted to non-operating expenditures are retained in a Restricted Special Fund until they are expended directly from that Fund.

C. Endowment Fund Gifts

- 1. Gifts to the Heritage Endowment Fund are intended to create investment income.
- 2. The Heritage Fund records gifts, income and expenditure, and Fund balances as either unrestricted or by type of donor restriction.
- 3. Investment Income earned by donor-restricted gifts may be used only for the purpose specified by the donor.

For policies relating to the acceptance of restricted gifts, please see Giving to St. Luke's – Your Guide to being a donor.

For policies relating to the Heritage Endowment Fund, please see The Heritage Endowment Fund - Policies and Procedures.

Additional Authority/Resources:

Funds at St. Luke's

December 2, 2017, Ver. 1.9

All of St. Luke's assets, revenues and expenditures are allocated to specific "funds". Each fund has a specific purpose, and uses its assets and revenues to make expenditures for that purpose. If the donor of those assets and revenues directed that they be put to a specific purpose, the fund is said to be "restricted". If the donor has not restricted his/her gift to a specific purpose, the vestry has the authority to decide how to expend the gift and it is said to be "unrestricted." This is a description of the various funds St. Luke's uses to account for its assets, revenues and expenditures. This structure may be changed from time to time, subject to the needs of the parish and donors' restrictions, by action of the vestry upon recommendation of the Finance Committee.

UNRESTRICTED FUNDS – Not subject to any donor imposed restrictions.

General Fund – The fund that receives unrestricted annual gifts and most plate collections from parishioners and visitors and pays ordinary operating expenses of the parish under the direction of the vestry and officers. Revenues and expenditures are expected to conform to a duly approved annual budget, but the vestry may approve variances in revenues and expenditures. Expenditures of a type not included in the annual budget, but which are for the general operations of the parish, are General Fund expenditures. The prior practice of recording "non-budget" expenditures as charges to this Fund without including those expenditures in periodic reporting is improper and is no longer permitted. The General Fund may have an operating surplus or deficit in any year. The balance of the General Fund provides the budgetary "cushion"; it absorbs any actual annual deficit or surplus from the operations of the General Fund. If the vestry approves an annual budget that projects an operating surplus or deficit, it means they intend to increase or decrease the General Fund balance during the budget year.

The General Fund handles most of our revenues and expenditures for "Operations" as defined in the Parochial Report (the "PR"). A few Special Funds (see below) handle restricted gifts to support "Operations" (e.g. donations for flowers); these are Operating Special Funds and their income and expense are included in the PR as "Operating" items. Most Special Funds handle gifts and expenditures that do not constitute "Operations" and are included in the Non-Operating section of the PR.

To facilitate preparation of the Parochial Report, Operating expenditures funded by a “Non-operating” Special Fund may be treated as a transfer from the Special Fund to the General Fund. The transfer in will be shown as a component of operating income (line 4 in the Parochial Report) and the expenditure will be shown as an Operating expense. Non-operating expenditures paid for by Special Funds are reported as direct expenditures by those Special Funds.

Designated Funds - These are Special Funds over which the vestry has full control because they are not subject to any donor restrictions. All revenues, expenditures and transfers must be approved by the vestry. The vestry may create specific Designated Funds to provide money for a very narrow or a very broad purpose, or to segregate unrestricted money for any reason. The vestry may accept gifts directly to a Designated Fund, but only if the gift complies with St. Luke’s Gift Acceptance Policy. The Gift Acceptance Policy is currently under review by the Finance Committee and the Vestry. It will be posted when complete. The vestry may transfer money among Designated Funds as a re-designation of that money, but the vestry may not pay an expenditure from any Designated Fund that is inconsistent with the stated purpose of that Fund.

Current Designated Funds at St. Luke’s

Capital Reserve Fund (#11) – To receive annual appropriations from General Fund and to supply funds for expenditures to preserve, repair or replace existing physical assets of the parish. Expenditures from this fund are not intended to provide for significant new functionality or programmatic capability except when secondary to the preservation of existing assets. Original funding from the previous Contingency Fund.

Child and Family Fund (#12) – To provide seed money for new programs to benefit children and families of the parish and community, not for continuation of maturing programs. Original funding from St. Luke’s School funds, no current source for additional amounts.

Dream Fund (#13) – To supply money for the exploration and early development of parish dreams and visions, before such activities are mature enough to attract their own funding, through the operating budget or from other sources. Original funding was transferred from the previous Contingency Fund to support the Dream Project in 2011. No current source for additional amounts. Small remainder was given to Worship Enhancement in 2017.

Extraordinary Expense Fund (#14)– To supply money for exceptional, unusual, unexpected, major Non-Operational costs to the parish other than those relating to physical plant; these may include legal disputes, clergy search and termination costs, and other costs incurred involuntarily and outside the control of the vestry. This Fund has a dedicated source of revenue in sales tax refunds and savings account interest income. Original funding from the previous Contingency Fund.

Special Gifts and Bequest Fund (#16) – This Fund was created with gifts from the Siebert family and Florence Blakely. It is intended to receive all unrestricted bequests and major gifts to the parish and to designate them for non-operational, one-time,

expenditures to improve the capacity and quality of our physical plant, our programs, and our impact on our community by acting as the body of Christ. The Fund uses the Project system in ACS to keep track of specific gifts within in the Fund.

Designated Worship and Pastoral Care Fund (#18) – This Fund is used to receive small residual balances of other Designated Funds and Temporarily Restricted Funds which were purposed toward Worship and Pastoral Care when those Funds are eliminated as *de minimus*, inactive, or because a donor's restriction has been satisfied. The Treasurer may, with Vestry approval, transfer these funds to the General Fund to support worship and pastoral care.

Designated Programs and Activities Fund (#19) -- This Fund is used to receive small residual balances of other Designated Funds and Temporarily Restricted Funds which were purposed toward Programs and Activities when those Funds are eliminated as *de minimus*, inactive, or because a donor's restriction has been satisfied. The Treasurer may, with Vestry approval, transfer these funds to the General Fund to support programs and activities.

Designated Operational Fund (#20) – This Fund is used to receive small residual balances of other Designated Funds and Temporarily Restricted Funds which were purposed toward operations other than worship and pastoral care, outreach or Programs and Activities when those Funds are eliminated as *de minimus*, inactive, or because a donor's restriction has been satisfied. The Treasurer may, with Vestry approval, transfer these funds to the General Fund to support operations.

Designated Fund for Committed Expenditures (#21) – This Fund receives a transfer from another Designated Fund or a Temporarily Restricted Fund as soon as the vestry approves a project budget for spending from that Fund. That transfer immediately reduces the balance of that Designated or Temporarily Restricted Fund. Actual expenses are paid from this Fund. Expenses for which the officers intend to request funding from a Designated or Temporarily Restricted Fund, but which are paid before such approval, are charged to this Fund. When the vestry approves the funding, a transfer is made to this Fund to cover the approved expenditure. When a project is completed, any surplus funds are transferred back to the original source Fund.

TEMPORARILY RESTRICTED (TR) FUNDS – Special Funds that are subject to donor restrictions that are expected to lapse when their purpose is accomplished or a specific time period has elapsed. Any funds that remain when the purpose is accomplished or the time elapses may be spent with Vestry approval. The Vestry generally strives to use the funds in ways consistent with or similar to the original restrictions.

The vestry may create a Restricted Fund to receive funds donated and subject to one or more donor-imposed restrictions, provided that the donation and the restrictions conform to the parish's then-current Gift Acceptance Policy.

Current Temporarily Restricted Funds at St. Luke's

Clergy Discretionary Funds (#31 & #32) – The Rector’s (#31) and Assistant Rector’s (#32) Discretionary Funds (DF) receive the plate cash from the 8 AM service (accounted for as “due to” the CDF’s but deposited into the operating checking account). A journal entry creates CDF revenue and “due from”. Cash is transferred to CDF checking accounts periodically during a month, but all cash received in a month should be transferred by month-end. CDF revenue may also include various direct gifts to their accounts. Clergy write checks as needed and these disbursements are recorded as CDF expenses for outreach. This assures confidentiality and is consistent with prior practices.

Memorials Fund (#33) – Receives gifts in honor or in memory of someone other than the donor. Uses project names to subdivide by individual honoree and/or purpose. The Memorials Committee oversees operations and recommends expenditures for vestry approval.

Memorial Garden Fund (#34) – Accumulates proceeds from sale of plots and niches, pays operating expenses/capital improvements. Uses project names to track details by individual.

Deacon’s Discretionary Fund (#35) - DDF revenue comes from various direct gifts to the account. Deacons write checks as needed and these disbursements are recorded as CDF expenses for outreach. This assures confidentiality and is consistent with prior practices.

Episcopal Church Women (ECW) Fund (#36) – The ECW maintains its own bank account, but it is required to be included on the church’s books. This fund holds the assets and records the income and disbursements of the St. Luke’s ECW Chapter.

EYC Fund (#37) – Funds dedicated for EYC activities other than mission trips.

Holy Cross School Scholarship Fund (#38) – Cash to be transmitted directly to HCEF or to HCAS, not spent to cover expenses of mission trips. This money is for scholarships to the high school for promising students sponsored by St. Luke’s or by individual members. We send it to HCAS and they transmit it to the high school because they know more about how and when to get it there than we do. HCAS remains a liaison for us with the scholarship students and the high school. The students provide their report cards to HCAS who sends them on to us.

Major Outreach Fund (#39) – Funds collected and to be expended solely for major outreach activities of the parish, e.g. Yard Sale, under aegis of the Outreach Committee. Gross revenues go on PR line 10, all expenses and outreach payments PR line 16. The Fund uses Projects to track specific activities; it does not include cash collected on behalf of and for direct transmittal to other organizations (see #49).

Belize Trip Fund (#40) – Cash collected from participants and fund raising activities to support the direct costs of the adult Belize mission trips. Uses projects to identify individual contributions, refunds, and expenses. Does include “bricks and mortar” fundraising and our payment to HCAS because they represent the cost of materials we will use during our work. The PR uses lines 11 and 18.

Thank You Fund (#42) – A Fund to receive and pass on to specific recipients funds collected as a personal (but anonymous) gift by donors to an individual personal

recipient; gifts to this “pass through” fund are not deductible for the donor and would not represent taxable income to the recipient. This fund is not used for employees of St. Luke’s because of conflicts with employment tax rules. See fund #48 for employee gifts.

Life Insurance Fund (#43) – represents the annual premium cost and Cash Surrender Values (“CSV”) of life insurance policies owned by the church and insuring the respective donor’s life. The donor gifts periodic contributions to St. Luke’s in the amount of and for the purpose of paying policy premiums, upon which St. Luke’s in turn pays the premium to the insurance carrier. This enables the donor to take a tax deduction for the premium amount gifted. This fund recognizes annual income equal in amount to the premium paid, thereby reducing GF income and expense. We show the annual premium cost as donor’s contribution to the Insurance Fund on his/her donor record. The annual increase in CSV is recorded as income in this Fund. The CSV would be available to the church in the form of a withdrawal or loan, but is primarily intended to fund the policy so the death benefits will be paid in full to the church at the time of donor’s death.

Continuing Education/ Professional Development Fund (#44) – This was originally the Nichols Fund, a single donation to fund continuing education of clergy. Balance at 12/31/13 was \$539.10, but Q1 2014 charges of \$325.00 reduced the balance to \$214.10. Now that the GF has budget lines for CE/PD specific to each person entitled to such allowance, any unspent budget money at year-end will be moved to this fund. The vestry may approve spending from the unallocated money in this Fund; amounts carried over in accordance with employment contracts may be spent without Vestry approval. This Fund has not been sub-divided by projects or person, but transferred funds will be assigned projects to keep the funds for the person who did not spend it in the previous year.

Renovation Fund (#45) – Balance of 2007 interior renovation. Origin was all donor-restricted money. This money is being spent as needed and with Vestry approval to renovate or refresh spaces in need of improvement.

Green Grant Fund (#46) – Money obtained from diocese for energy efficiency projects. Most recently used to fund recycling bins for locations throughout the church.

Youth Mission Trip (#47) – Funds raised by youth for mission trips. Specific funding sources identified by project name.

Clergy and Staff Gift Fund (#48) – This is a holding account for cash given for the purpose of benefitting clergy or paid staff of St. Luke’s. For the clergy and staff of St. Luke’s, receiving these gifts as cash or non-business property will create taxable compensation to them and will be subject to tax withholdings. Funds spent on property for use in their vocation will not create taxable compensation. Future gifts will be tracked as to recipient by the project system.

Other Organizations Fund (#49) – Uses project names to record flow of cash raised specifically for transmittal to other organizations like UTO, Bishops Fund, participating charities in Alternative Gift Fair, etc. PR lines 11, 17 and 18. Lots of in/out activity, should carry a small balance.

Small Outreach Fund (#50) – Uses project names to record multiple small efforts generally related to outreach but not necessarily involving the Outreach Committee. PR lines 10 and 16.

Operations Worship & Pastoral Care (#51) – Uses project names (e.g. flowers) to record restricted cash flows used for W&PC and reported as operating revenues/expenditures on financial statements and in PR.

Educational Scholarship Fund (#52) – A donation made by a church member for educational scholarships for parishioners only. Priority given to college, seminary, EfM, others possible at the discretion of the Vestry. Scholarships should total less than \$8,000 per year.

DMin Project (#53) – This fund was established to hold the income and disburse the expenses related to the Rector's DMin Project. This is the customary way that such funds are handled and the church's oversight may be required by some who give grants for the project. No church funds have been used to fund this project. It is not anticipated that any church funds will ever be used to fund this project.

Nursery Fund (#54) – The Nursery Fund was established primarily by parents using the nursery for their children. It enables St. Luke's to hire a second paid nursery aide as required by Safe Church standards. It relieves the parents of the obligation to volunteer in the nursery so that a second person is there to meet Safe Church standards.

Women at the Well (#55) – This fund receives the registration fees and disburses the expenses related to the annual Women at the Well women's retreat. This retreat is funded completely by the registration fees of the participants.

Worship Enhancement (#56) – This fund was established to receive the Worship Enhancement Capital Campaign contributions and to disburse the expenses for the Worship Enhancement Project. Worship Enhancement anticipates funding the construction required to enhance the sanctuary's acoustics and to prepare the space for a new organ, and the purchase, refurbishment and installation of the new organ.

Holy Cross School Funding (#57) – This fund holds proceeds of clericus lunch catering and other fundraising activities that are designated as contributions to the operations of Holy Cross Anglican School in Belize. The contributions are sent once a year in December to the Holy Cross Anglican School Foundation in MN. They are sent in December because the foundation generally has a program to double all contributions made in December. There is a "ceremonial" presentation of funds during our visit in January/February, but the actual funds should already be there.

PERMANENTLY RESTRICTED (PR) FUNDS - Special Funds that are subject to donor restrictions that are not expected to lapse. These funds are maintained in perpetuity and spent in accordance with principles that will preserve the corpus. The Heritage Fund is the only PR fund currently, and it is expected to remain the only one for the foreseeable future.

The vestry may create a Restricted Fund to receive funds donated and subject to one or more donor-imposed restrictions, provided that the donation and the restrictions conform to the parish's then-current Gift Acceptance Policy.

Current Permanently Restricted Fund at St. Luke's

Heritage Fund (#92) – This fund was created as an endowment fund to generate income to support specified program areas as outlined in the Enabling Resolution to Establish the Heritage Funds. Assets are currently being invested in accordance with the recommendations of the Investment Committee as approved by the Finance Committee and the Vestry.

Permanently Restricted Fund Not Owned by St. Luke's

St. Cecilia's Fund – A donor deposited funds with the Triangle Community Foundation for the benefit of St. Luke's music programs. St. Luke's receives the income from those funds. Since St. Luke's is an income beneficiary only, the principal is not an asset of the parish and does not appear on our books. We recognize the income from that Fund as a restricted gift when it is received and then transfer it to the General Fund to support the music program.

Previous Permanently Restricted Fund at St. Luke's (No longer in existence)

St. Luke's Foundation (#93) – Note: A separate legal entity was formed several years before the Heritage Fund was established. The Finance Committee recommended liquidation and the Vestry approved liquidation of the foundation. The legal entity has been dissolved, and the account at a brokerage firm has been liquidated. The funds from the brokerage account were put into the Heritage Fund. This account is no longer in use since the foundation no longer exists.

This is not to be confused with the St. Luke's Foundation in Salisbury, NC that usually funds the team contributions to Holy Cross Anglican School for the two weeks that adults visit HCAS. When money is received from the foundation in Salisbury, it is recorded in the Belize Fund (#40) and given to HCAS when the team goes there in January/February each year.