

Diocese of Central Pennsylvania
Diocesan Pooled Investment Fund

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Questions or need more information please contact Bill Graffius at wgraffius@diocesecpa.org or call 717-236-5959

The Episcopal Diocese of Central Pennsylvania
Endowment/Invested Funds Management Program
for Congregations & Related Organizations

Overview

The purpose of this program is enable congregations of the diocese to gain high quality professional management for their endowment/invested funds at reduced fees because of the collective pool of money from multiple church and diocesan accounts. The pool is called the Diocesan Pooled Investment Fund.

Detail of the Diocesan Program

Churches participating in the program gain a number of advantages.

1. Their funds are managed by world-class investment managers at State Street Global Advisors following the investment goals and philosophy of the Finance Committee of the Diocese. (See Investment Policy on diocesan website.)
2. Churches receive quarterly statements and will be able to view quarterly performance reports on the diocesan website.
3. Churches can receive regular quarterly draws using a total return spending policy that is intended to maintain the spending power of the endowment over time. Normally, the draw percentage, set by the Finance Committee, will be between 3% and 5% of a rolling three-year average value of the fund, and distributed proportionately to the sub-funds in the pool. If draws are not taken, the funds are reinvested
4. Additional draws can be taken after consultation with the diocese to determine the legal nature of the church's endowment funds – "true" or donor-restricted endowment funds, controlled by PA Act 141, or "quasi" or vestry-restricted endowment funds, controlled only by local church policy.
5. Churches can maintain sub-funds in the diocesan pool to account for funds with different legal status or purposes.

Forms

Included in this packet are three forms:

1. An Agreement that formally establishes the terms of the relationship between the church and the diocese for investment management services.
2. A Vestry Resolution establishing persons with authority for the account.
3. A Transaction Form to be used to add funds or withdraw funds from an account.

The Episcopal Diocese of Central Pennsylvania
Agreement Establishing

The _____ Fund
(name & location of church)

Within the Diocesan Pooled Investment Fund

This agreement is made and entered into this ____ day of _____, 20__ between _____ (“Church”) and the Finance Committee of the Episcopal Diocese of Central Pennsylvania (“Committee”).

WHEREAS, the Church desires to establish, and the Committee is willing to hold and administer funds transferred by the Church to the Diocesan Pooled Investment Fund (“Fund”) of the Episcopal Diocese of Central Pennsylvania, and

WHEREAS, the Church agrees to transfer and assign to the Committee certain assets to be managed on its behalf by the Committee subject to the terms and conditions of this agreement,

NOW, THEREFORE, the parties agree to the following.

The Church agrees to:

1. Delegate authority regarding investment decisions to the Committee agreeing with the goals, objectives and guidelines of the Committee’s Investment Policy Statement. (Posted on diocesan website.)
2. Accept the decision of the Committee with regard to the annual spending rule which uses a total return spending policy.
3. Share pro-rata in the income and appreciation/depreciation of the Fund
4. Share pro-rata in the fees charged by the Episcopal Church Foundation and its investment manager. The Diocese will not charge a fee.
5. Understand that assets transferred to the Committee by the Church shall be a component part of the Fund and not a separate trust.

The Committee agrees to:

1. Receive funds from Churches and invest them according to the Committee’s Investment Policy Statement as amended from time to time.
2. Maintain the Church’s fund(s) as separate fund(s) within the Fund.
3. Provide quarterly statements to each Church by email.
4. Post quarterly performance reports of the Fund on the diocesan website.

5. Apply a total return spending rule to determine funds available for expenditure in the coming calendar year. Churches have the option to receive a quarterly distribution of that amount, or to reinvest the distribution back into their account.
6. Release additional funds from the church's account as requested following a review of the legal terms of the endowment/invested fund in question.

Termination of Agreement

This agreement may be terminated by either party for any reason.

If a Church decides to terminate this agreement they must inform the Committee in writing at least two weeks prior to the end of any calendar quarter. The balance of the Church's account, less any applicable fees, will be distributed as directed by the Church within 15 days following the end of the quarter in which the notice was received.

The Committee may terminate this agreement by informing the Church in writing at least six months in advance of the termination.

Episcopal Diocese of Central Pennsylvania

For the Church

By _____
(Signature)

By _____
(Signature)

(Please print name)

(Please print name)

(Please print title)

(Please print title)

Please list here and on additional pages as necessary the sub-funds, if any, for your church.

Vestry Resolution

Naming Person(s) with Authority on Endowment/Invested Funds

The Vestry of _____ hereby names the
(Name of Church and City)

following individual(s) as having authority to request withdrawals from its endowment and/or invested funds placed in the Diocese of Central Pennsylvania Pooled Investment Fund.

(Primary Contact Name, signature)

(Name, please print)

(Title, please print)

And/or

(Secondary Contact Name, signature)

(Name, please print)

(Title, please print)

Affirmed by: _____
(Signature)

(Name, please print)

(Title, please print)

Enacted by the Vestry on _____
(Date)

Person(s) named here would be the person(s) who would sign the Transaction/Distribution Form.

Transaction/Distribution Form
Episcopal Diocese of Central Pennsylvania
Diocesan Pooled Investment Fund

Church Name and Location: _____

To add to your funds:

1. Complete this form and mail it along with a check made out to the Diocese of Central PA and a letter from the treasurer or senior warden. Send to:

Diocesan Pooled Investment Fund
Episcopal Diocese of Central PA
101 Pine Street
Harrisburg, PA 17101

2. If your church has more than one fund, indicate here which fund or funds are to be credited and how much to credit to each fund.

To withdraw funds:

REGULAR DRAW

1. Each year the diocese will inform you of the “funds available for expenditure” for the coming calendar year based on the diocesan spending policy – the average value of the Diocese Pooled Funds for the trailing three-year time period multiplied by a prudent draw (normally between 3% and 5%). You receive your proportionate share of the total value.
2. Please indicate here whether you want to receive a lump sum distribution, a quarterly distribution of this amount, or if you want to reinvest.

Check one: Receive Lump Sum Distribution Receive Quarterly Distribution
 Reinvest

SPECIAL REQUEST FOR ADDITIONAL FUNDS

1. Please draw down the following dollar specific amount of money from the following fund(s):

Requests for a special draw must be received no later than the 15th of any month for a draw to be distributed by the beginning of the following month. You will be asked to confirm that the draw comes from funds other than your “true” endowments, which are constrained by PA Act 141.

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Indicate here how you want to receive your distribution.

If by check, include mailing address here:

If by ACH wire transfer, complete the following information and include a voided check with this form.

Bank Name _____

Bank Address _____

Account Name _____

Account Number _____

ABA Routing # _____

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Quarterly statements to be sent to the following. Include name(s) and email addresses.

Authorization

(Signature of Authorized Person)

(Name & Title, please print) _____ (Date)