12 Holy Apostles
PLANNED
GIVING

ENDOWMENT GUIDELINES

For the Parish of
Twelve Holy Apostles Greek Orthodox Church
Duluth, MN

Prepared by the
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TWELVE HOLY APOSTLES GREEK ORTHODOX CHURCH

ENDOWMENT GUIDELINES

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ACRONYMS, INITIALISMS, AND ABBREVIATIONS

ADR	American Depository Receipts
Cap	capitalization
CD	Certificate of Deposit
CMO	collateralized mortgage obligation
e.g.	for example (*exempli gratia*)
EAB	Endowment Advisory Board
i.e.	that is (*id est*)
IP	Investment Policy
Regulations	*Regulations of the Greek Orthodox Archdiocese of America*
REIT	Real Estate Investment Trust
SEC	U.S. Securities and Exchange Commission
T-Bill	Treasury bill
THA	Twelve Holy Apostles
TIPS	Treasury Inflation-Protected Securities
U.S.	United States

GLOSSARY

BBB • a bond rating by S&P Global (formerly Standard & Poor's). BBB represents a moderate level of safety for financial obligations and is among the strongest investment grades.

custodian • a specialized institution, such as a bank, that holds and safeguards assets like cash, stocks, and bonds. It provides recordkeeping and transaction settlement, but it (as an institution) does not make investment decisions.

ex officio • holding a position on a board "by virtue of one's office" or position apart from that board

fiduciary • an organization or a person who has a legal or ethical obligation to manage money and assets for the benefit of others

investment manager • a person who manages financial assets by devising investment strategies and executing trades within a portfolio

irrevocable gift • a donation that cannot be changed or taken back once it is made

Northland • for purposes of this document, the Northland comprises Duluth and its surrounding communities in Minnesota and Wisconsin

Proistamenos • the priest who leads a parish (Greek; lit. "one who leads/presides")

quorum • the number of voting members required for a board or committee to conduct business

12 Holy Apostles
PLANNED
GIVING

A. ENDOWMENT FOUNDING, HISTORY, AND MISSION

FOUNDING AND HISTORY

In January of 2025, with the knowledge of the Parish Council, the Proistamenos of Twelve Holy Apostles (THA) Greek Orthodox Church met with a group of parishioners and the Archdiocese Director of Parish Planned Giving to determine the feasibility of establishing a parish endowment. It was decided that the parish should establish an endowment. An Endowment Advisory Committee was then formed to develop the policies and guidelines for the THA Endowment as part of a Planned Giving Ministry. Guidelines for the founding and governance of an Endowment Advisory Board (EAB) were also created.

The THA Endowment shall be administered by the EAB and be overseen by the Parish Council as outlined in these guidelines. The guidelines may be revised by the EAB in consultation with the Parish Council. Substantial revisions to these guidelines (e.g., significant revisions to the Distribution Guidelines or Endowment Protection Policy) may also require Parish Assembly approval.

MISSION

The THA Endowment is intended to support parish ministries and initiatives beyond what is possible through annual stewardship and operational giving, providing for the vision and future security of the parish. Distribution priorities include supporting our Parish Vision (see Appendix), community outreach, and parishioner and community care (see “Distribution Philosophy and Giving Directives,” page 22).

Planned Giving

While direct donations are encouraged, the endowment shall be primarily funded through planned giving. Planned giving is separate and distinct from annual stewardship and the parish capital improvement fund.

Planned giving is more enduring than “fundraising” for a specific project or need. It provides parishioners the opportunity to share with the parish one or more gifts of perhaps greater significance than their annual stewardship. For example, some parishioners may plan to set aside one or more gifts to be invested specifically for the future benefit of the parish. Others may instead plan to name the endowment as a beneficiary of a portion of their estate. And still others may plan to do both. A planned gift to the endowment, regardless of its form, enables parishioners and their families to continue their relationship with parish life, extending their contributions and enabling their legacies to live on through the work of the Church.

It is intended that any gifts to the endowment, whether through direct donations or planned giving, will not be directed toward capital improvements or operational expenses (see "Endowment Protection Policy," page 21).

Three Channels of Giving

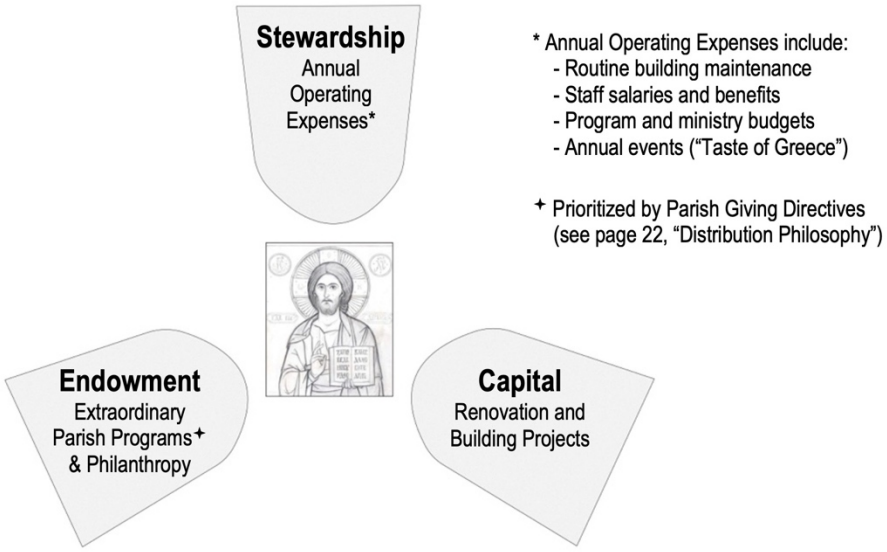
Twelve Holy Apostles Greek Orthodox Church is choosing to pursue a three-channel ("Trinitarian View") framework for funding the current and future needs of the parish. Currently, operational expenses, philanthropy, emergency needs, capital projects, special projects, and ministries are mostly funded through annual stewardship, Greek Festival proceeds, and fundraising appeals and activities (e.g., gyro sales), with stewardship being the primary channel for giving.

Moving forward, the parish will establish three clear channels for giving: (1) **annual stewardship**, to fund immediate operational needs; (2) **capital giving**, to fund renovation and building projects; and (3) **planned giving**, to fund the endowment, supporting extraordinary parish programs, philanthropy, and the long-term growth and security of the parish.

A "Trinitarian View" is already held by many parishioners in managing their own households. For example, it is common to use (1) checking accounts for daily and monthly expenses ("operations"), (2) savings accounts for larger expenses such as home improvements ("capital"), and (3) retirement plans and college savings accounts for long-term security and growth in the future ("endowment").

This new framework for giving has the potential to substantially improve the parish's ability to meet current and future needs and to support our Northland community.

Three Channels of Giving: A "Trinitarian View"



B. EAB GOVERNANCE: LEADERSHIP AND SUCCESSION POLICY

GOVERNANCE

- The Endowment Advisory Board (EAB) operates according to the directives of the *Regulations of the Greek Orthodox Archdiocese of America* (*Regulations*).
- The EAB is an advisory board to the Parish Council. EAB members are appointed by the Parish Council and approved by the Parish Assembly.
- The EAB reports directly to the Parish Council, as needed, and annually to the Parish Assembly, in both written and presentation form.
- The EAB is in every case subject to the control in all respects of the Parish Council.

EAB COMPOSITION, LEADERSHIP STRUCTURE, AND VOTING STRENGTH

Board Composition

The EAB shall comprise six members, five of whom have voting rights:

- the Proistamenos (a non-voting ex-officio member),
- five voting members, at least one but no more than two of whom shall be members of the Parish Council.

All EAB voting members must be parishioners in good standing of the parish.

Ex Officio Member

The Proistamenos shall serve ex officio as a non-voting member of the EAB to provide guidance and spiritual direction as required by the *Regulations*.

Leadership Structure

The EAB shall elect a Chair, a Vice-Chair, and a Secretary to serve as board leadership. A Parish Council member serving on the EAB shall be elected as the Parish Council Liaison. The President of the Parish Council cannot serve as the Chair of the EAB.

Voting Strength

A majority of EAB members, excluding the non-voting ex officio member, shall constitute a quorum. All voting EAB members shall have equal voting strength.

BOARD APPOINTMENT, SUCCESSION, TERM LIMITS, AND REPLACEMENT

Appointment

The first EAB will be nominated by the Parish Council and approved by the Parish Assembly. Voting members serve staggered, three-year terms. (The initial board shall comprise members serving for 1-, 2-, and 3-year terms to establish the staggered succession.)

Succession

Subsequent nominations will be submitted by the EAB to the Parish Council, which will present them to the Parish Assembly for consideration. An EAB member whose term is expiring may recommend at least one candidate for consideration to succeed his or her appointment.

In the event of a vacancy other than by the expiration of an EAB member's term, the EAB shall present the Parish Council with nominations for its consideration to fill such vacancy, and the Parish Council will appoint a replacement member to fill that vacancy until the expiration of the term applicable to such vacancy.

Term Limits

EAB voting members may serve up to three consecutive three-year terms.

Replacement

- Failure to fulfill the duties and requirements of the EAB or to uphold the codes of conduct presented in the guidelines may result in removal from the EAB by majority vote of its voting members.
- Any EAB member may resign at any time by providing written notice to the EAB Chair, the Proistamenos, and the Parish Council Liaison.

BOARD MEMBER DUTIES, EXPECTATIONS, AND RESPONSIBILITIES

Duties

All EAB members shall:

- *Attend* at least 75% of meetings
- *Stay informed* of the investment, distribution, advancement, and administrative activities related to the THA Endowment
- *Participate* in the investment, distribution, advancement, and/or administrative activities of the endowment according to their respective roles and responsibilities on the EAB
- *Communicate* the progress of their EAB activities to the board

Expectations

- EAB members shall reflect the core values of the parish in their work on the board (see H.E.A.R.†.S. on page 22), including in all correspondence and published materials related to the THA Endowment and the Planned Giving Ministry.
- All members should have an understanding of the Parish Vision and use it to guide their work on the EAB.
- Each EAB member is expected to act in good faith regarding the investment and management of the endowment fund.
- It is expected that EAB members should make a gift to the endowment.

Responsibilities

The functions of the EAB center on three core areas:

- Financial advising (e.g., managing the THA Endowment and any other board-designated endowment funds as requested by the Parish Council)
- Distribution advising (e.g., granting funds)
- Advancement advising (e.g., communicating with donors and potential donors)

Board members shall perform a range of activities within these core areas according to their interests, talents, and experience. Communication skills are also important. Note that EAB responsibilities are not limited to the THA Endowment. For example, if the Parish Council wishes to have separate board-designated endowment funds, the EAB shall provide financial, distribution, and advancement advising for those funds.

BOARD-DONOR RELATIONSHIPS

All donor relations activities shall respect the principle that giving is primarily between the donor and God, with the parish serving as a faithful steward of these gifts. The EAB shall maintain appropriate stewardship relationships with donors, including:

- Extending invitations to special services or events related to ministries supported by the endowment
- Providing annual updates on the impact of the Planned Giving Ministry and the endowment

FREQUENCY OF MEETINGS

The EAB shall meet at least quarterly to oversee that all EAB responsibilities are carried out effectively.

CONFIDENTIALITY AND CONFLICT OF INTEREST

Confidentiality

All EAB members, including the ex officio member, shall sign confidentiality and conflict of interest statements upon joining the EAB. Members will hold in strictest confidence all information from or about donors and potential donors.

Conflict of Interest

No member of the EAB may serve as an outside investment manager, advisor, or consultant to the endowment fund.

LIABILITY AND COMPENSATION

Liability

By adding EAB members to the parish insurance plan, the parish shall indemnify, to the fullest extent authorized or permitted by Minnesota state law, each member of the EAB and his or her estate and personal representative who is made or threatened to be made a party to an action, suit, or proceeding because such person is or was a member of the EAB.

Compensation

No EAB member shall receive any compensation or tangible benefits for his or her service on the board.

C. GIFT ACCEPTANCE POLICY

PURPOSE

The Gift Acceptance Policy defines which forms of donated gifts are acceptable or prohibited in the Twelve Holy Apostles (THA) Greek Orthodox Church Endowment Fund and describes the gift acceptance principles the THA Endowment Advisory Board (EAB) shall follow in working with donors (and potential donors).

GIFT ACCEPTANCE PRINCIPLES

The EAB shall apply the following principles in their consideration of any potential gifts to the endowment:

- The spiritual, philanthropic, and personal goals of the donor shall be considered together with the mission of the THA Endowment and the mission, vision, and goals of the parish.
- The solicitation and administration of all charitable gifts shall be based on a fair and proper balance between the interest of the donor and mission of the THA Endowment.
- The THA Endowment shall not accept gifts that
  - potentially violate THA Endowment policies,
  - are too difficult or too expensive to administer in relation to their value, or
  - are for purposes outside the mission of the parish or the THA Endowment.
- The EAB shall follow the Gift Acceptance Guidelines, consulting with the Parish Council when needed.

ADVISORY

Donors should be encouraged to discuss gift planning with their professional advisors. Any communication with donors regarding planned giving or deferred gifts should clearly indicate that the EAB and/or Planned Giving Ministry does not provide legal or tax advice.

EAB members engaged in advancement activities should be especially aware that there exist potentially complex financial and legal impacts for donors, and that tax and estate laws frequently change. Advising donors that they are best served by consulting professional advisors and that Twelve Holy Apostles does not provide

legal, financial, or tax advice is an essential responsibility for any EAB member engaging in advancement activities.

The following advisory should be included in any materials, documents, web pages, illustrations, letters, or other correspondence distributed within or outside the parish:

> *Twelve Holy Apostles Greek Orthodox Church strongly urges you to consult with your financial advisor, tax advisor, or attorney to review this information, which is provided to you without charge or obligation. This information in no way constitutes legal, financial, or tax advice.*

In addition to encouraging donors to seek professional advice, EAB members engaged in advancement activities should make clear to any donors or potential donors that the intent and expectation is that the THA Endowment fund is to be a perpetual fund, but that the Parish Council does have the authority to amend, merge, or terminate the fund under extraordinary circumstances. Any such action by the Parish Council would require approval by at least 90% of the voting members of the parish and must follow the guidelines presented in the "Endowment Protection Policy" on page 21.

USE OF LEGAL COUNSEL

The EAB shall seek the advice of legal counsel in matters relating to the acceptance of gifts as the EAB deems necessary. Review by legal counsel is generally recommended for:

- Gifts of securities that are subject to restrictions or buy-sell agreements
- Documents naming the THA Endowment as trustee or requiring the THA Endowment to act in any fiduciary capacity
- Gifts requiring the THA Endowment to assume financial or other obligations
- Transactions with present or potential conflicts of interest
- Gifts of property which may be subject to environmental or other regulatory restrictions
- Gifts of Real Property

GIFT ACCEPTANCE GUIDELINES

Gifts Requiring No Review

Certain forms of donated gifts may be accepted without a vote by the EAB and generally include the following:

- **Cash.** All unrestricted gifts by cash, check, money order, credit card, or other acceptable third-party platforms typically used to transfer funds are generally accepted without a vote by the EAB. Cash gifts shall be made payable to the THA Endowment. In no event shall a gift of cash be made payable to an individual. Pledges of unrestricted cash may be payable in single or multiple installments. Donors using this option will be asked to complete a pledge form or otherwise confirm the pledge in writing.
- **Marketable Securities.** Marketable securities such as stocks, mutual funds, and bonds may be transferred electronically to an account held in the name of and maintained by the THA Endowment and subsequently stewarded according to the Investment Policy of the THA Endowment. Unless restricted in some manner, these forms of gifts are generally accepted without a vote by the EAB.
- **Planned Gifts and Life Income Arrangements.** Planned gifts include bequests and beneficiary designations under wills, trusts, life insurance policies, commercial annuities, and retirement plans. In most cases, these forms of gifts are generally accepted without a vote by the EAB. The THA Endowment may accept gifts of life insurance policies where the THA Endowment is named as either beneficiary or irrevocable owner of the insurance policy. The donor must agree in writing to pay, before due, all future premium payments owing on the policy.

Gifts Requiring Review

Other donated gifts, such as personal property and real estate, may be subject to EAB review, vote, and consultation with the Parish Council, as appropriate. The following guidelines should be used to determine the level of EAB review and whether to accept a specific type of gift:

- **Personal Property.** Tangible personal property includes all types of physical items such as furniture, jewelry, equipment, clothing, collectibles, art, and vehicles. Intangible personal property includes patents, copyrights, intellectual property, and digital assets, including cryptocurrency. Acceptance of personal property of all kinds shall be reviewed on a case-by-case basis and may require obtaining an appraisal to determine value and marketability. Gifts of personal property should be reviewed with special care to ensure that acceptance will not involve financial commitments disproportionate to the

usefulness or monetary value of the gift. Criteria for acceptance should include the following, as applicable:

- Marketability of the property
- Obtaining clear title
- Unacceptable use restrictions
- Cost of delivery and required repairs
- Carrying costs such as maintenance, insurance, storage, inspection, and security
- Selling and disposition costs

Unless the EAB decides otherwise, gifts of personal property should be liquidated as expeditiously and efficiently as possible, preferably within 30 days of receipt.

- **Real Property.** Real property includes residential real estate, vacant land, and commercial real estate. As with personal property, acceptance shall be reviewed on a case-by-case basis and may require obtaining an appraisal to determine value and marketability. Gifts of real property should be reviewed with special care to ensure that acceptance will not involve financial, legal, or environmental commitments disproportionate to the usefulness or monetary value of the gift. Criteria for acceptance of gifts of real property should include the following, as applicable:
  - Marketability of the property
  - Obtaining a clear title and verifying whether the property is subject to any claims or liens not yet filed
  - Unacceptable use restrictions such as covenants, conditions, reservations, easements, encumbrances, or other limitations associated with the property
  - Condition of the property and potential cost of repairs and improvements
  - Carrying costs, including maintenance, insurance, utilities, security, and property taxes
  - Assumption of mortgage notes or other financial liabilities
  - Existence of any current rental, occupancy, or leasing agreements
  - Inspection, purchase, selling and other related real estate fees and commissions

Prior to acceptance of any gift of real property other than a personal residence, the EAB shall require an initial environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem that may require remediation, the EAB may retain a qualified environmental firm to conduct an

environmental audit and any other necessary professionals the EAB considers necessary in evaluating whether to accept a gift of real property.

DONOR-SPECIFIED RESTRICTIONS

Gifts may include information regarding the intent of the donor, and such intent will be considered according to the guidelines of the THA Endowment. However, any prospective gifts that restrict future use of the funds to donor-specified criteria or require separate identification and accountability within the endowment fund shall not be accepted in the endowment. If a donor desires to have a special purpose ("directed use") fund established apart from the THA Endowment, the terms and conditions should be discussed with the Parish Council to determine feasibility, and if approved by the Parish Council and EAB, a written agreement should be entered into between the donor and the EAB so that specific use restrictions imposed by the donor are observed as required.

GIFT ACKNOWLEDGMENT

The EAB will provide acknowledgments to donors meeting IRS substantiation requirements for property received as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift. The EAB will respect a donor's request to remain anonymous and will restrict information about the donor to only those with a need to know unless otherwise such disclosure is required under federal or state laws.

D. DONOR RECOGNITION POLICY

PRINCIPLES OF DONOR RECOGNITION

This Donor Recognition Policy is guided by the teachings of our Lord Jesus Christ, who instructs us: "When you give to the needy, do not let your left hand know what your right hand is doing, so that your giving may be in secret. And your Father who sees in secret will reward you" (Matthew 6:3-4).

Humility in Giving

The parish recognizes that all gifts come ultimately from God, and we are merely stewards of His blessings. In keeping with Orthodox Christian teaching on humility and the scriptural principle that our reward comes from God rather than earthly recognition, the EAB shall implement donor recognition practices that honor the spiritual nature of giving while maintaining appropriate stewardship relationships.

Confidentiality and Privacy

The EAB shall maintain confidentiality regarding all donors and their gifts unless explicit permission is granted for disclosure or such disclosure is required under federal or state laws. Donor information shall be handled with the utmost respect for privacy and in accordance with all applicable laws.

RECOGNITION PRACTICES

General Donor Recognition

- No Public Naming of Facilities: In keeping with the principle that our giving should be done in humility and not for public recognition, the parish shall not place donor names on physical items (including liturgical items), spaces, rooms, buildings, or other facilities.
- Collective Acknowledgment: The EAB may acknowledge donors as a collective group (without individual names or gift amounts) in parish communications, expressing gratitude for their stewardship and support of the parish's mission.
- Private Expressions of Gratitude: The EAB and parish leadership may express private gratitude to donors through personal letters, prayer, and other appropriate means that do not include public recognition.

Commemorative Naming Opportunities

- Saint or Virtue Naming: For substantial gifts that enable major projects (such as new buildings, renovations, or significant ministry initiatives), donors may request that the project be named in honor of an Orthodox saint or in recognition of a Christian virtue or concept (e.g., St. Nicholas Hall, Philoxenia Center, Hall of the Theotokos).
- Approval Process: All commemorative naming requests shall require:
  - Review and recommendation by the EAB
  - Approval by the Parish Council
  - Blessing by the Proistamenos
  - For major facilities, consultation with the Metropolitan
- Discretion in Communication: Even when a facility or project bears a saint's name or virtue at a donor's request, the parish shall maintain discretion regarding the connection between the donor and the naming, focusing communication on the saint's life or the meaning of the virtue rather than the donor's contribution.

Memorial Remembrances

- Soul Saturday Commemorations: Donors may request to be remembered in memorial prayers during Soul Saturdays and other appropriate memorial services after their repose. The parish shall maintain a Book of Remembrance for this purpose.
- Memorial Gifts: Gifts made in memory of departed loved ones may be acknowledged through private communications with the deceased's family, without public announcement of gift amounts.

E. INVESTMENT POLICY

PURPOSE

This Investment Policy (IP) provides guidance for the THA Endowment Advisory Board (EAB) and its investment consultants to ensure a prudent investment process appropriate to the mission of the THA Endowment Fund.

THE THA ENDOWMENT FUND PORTFOLIO

Portfolio Objectives

The THA Endowment Fund shall comprise a well-diversified portfolio that:

1. Maximizes return within reasonable and prudent levels of risk
2. Maintains the purchasing power of the current assets and all future contributions
3. Achieves both capital appreciation and income that will focus on both long-term growth and preservation of capital
4. Maintains an appropriate asset allocation based on a total return policy that is compatible with a flexible distribution policy, while still having the potential to produce positive real returns

Time Horizon

The investment guidelines are based on an investment horizon of greater than 10 years. The portfolio's allocation is also based on this long-term perspective.

Risk Tolerance

It is understood that some interim fluctuations in market value and rates of return may be tolerated in order to achieve longer term objectives. A risk profile of "Moderate" to "Moderate-Aggressive" will be assumed.

Titling

All assets in the fund are to be titled with the name of the endowment, "Twelve Holy Apostles Greek Orthodox Church Endowment." The endowment will not be a separate legal entity, but a separate fund within the parish to hold assets contributed by donors who impose the endowment restrictions presented in these guidelines to their gifts. Gifts are made either through direct donation or planned giving. While the fund is intended to exist perpetually, the Parish Council reserves the right to amend, merge, or terminate the fund according the "Endowment Protection Policy" on page 21.

INVESTMENT MANAGEMENT PRINCIPLES

Preservation of Capital

The EAB, together with the investment consultant, shall make reasonable efforts to preserve capital, understanding that losses may occur in individual securities and in certain market cycles.

Controlling Risk

The EAB, together with the investment consultant, shall make reasonable efforts to control risk. Periodic evaluation will ensure that the risk assumed is commensurate with the portfolio objectives and overall asset allocation.

Diversification

The EAB, together with the investment consultant, shall review on a regular basis the IP's acceptable asset classes and determine whether current diversification strategies are effective and if any changes should be made.

Cash and Equivalents

The portfolio should remain fully invested in securities, with the provision that cash reserves may be utilized from time to time to provide liquidity or to implement a particular element of the investment strategy.

Rebalancing

If the EAB judges cash flows to be insufficient to rebalance the portfolio, the EAB shall decide whether to effect transactions to bring the portfolio within the acceptable allocation ranges.

Code of Ethics

The endowment will be subject to the Minnesota Uniform Prudent Management of Institutional Funds Act as in effect and applicable to the endowment from time to time. Assets shall be managed according to the "prudent investor rule," applicable local statutory fiduciary requirements, and the THA Endowment Fund's objectives. EAB members and outside advisors shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Additional Considerations

Effective communication and active monitoring of changing conditions in fund performance, together with periodic review of the agreements/arrangements with any investment consultants, custodians, banks, and other entities, will ensure that the EAB is able to prudently and effectively manage the investment.

INVESTMENT GUIDELINES

Acceptable Asset Classes

- Cash/Money Market
- U.S. Fixed Income
- International Fixed Income
- Large Value Stocks
- Large Growth Stocks
- Mid Cap Stocks
- Small Cap Stocks
- International Stocks
- Emerging Market Stocks
- Real Estate Investment Trusts (REITs)

Acceptable Investments

- Cash and Short-Term Fixed Income Securities (e.g., T-Bills, CDs, money market investment funds)
- Fixed Income Securities (e.g., TIPS, U.S. Government and Agency Securities, Corporate Notes and Bonds [BBB or better], Mortgage Backed Bonds, Asset Backed Bonds, Preferred Stock)
- Equity Securities (e.g., Common Stocks, REITs, American Depository Receipts (ADRs) of Non-U.S. Companies)
- Mutual Funds that invest in securities as allowed in this policy and none of whose investments are expressly prohibited in this policy
- Exchange-Traded Funds that invest in securities as allowed in this policy and none of whose investments are expressly prohibited in this policy

Prohibited Assets

- Private Equity
- Private Placements
- Limited Partnerships
- Venture-Capital Investments
- Real Estate Properties*
- Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs
- Non-Registered Investment Cooperative or Pooled Fund
- Naked Options
- Options ("calls" and "puts"), Warrants, Straddles
- Limited Partnerships Interests, Limited Liability Corporation Securities
- Commodity Contracts

*Note: While investments in real estate properties are prohibited, gifts of real property may be accepted according to the Gift Acceptance Policy (see page 7).

Prohibited Transactions

Prohibited transactions include, but are not limited to:

- Margin Transactions
- Short Sales

In general, no debt on behalf of the endowment fund may be created.

Security Restrictions

The EAB shall endeavor, whenever possible and prudent, to align its investment choices with the core values of the parish and the Orthodox Church.

ASSET ALLOCATION GUIDELINES

Based on the fund's current assets, time horizon, tolerance for risk, and distribution needs, a "Growth and Income" to "Growth" asset allocation with a modeled return of 6% to 9% is recommended.

MONITORING AND REPORTING FUND PERFORMANCE

On a timely basis, but not less than quarterly, the EAB will meet to review whether each investment continues to conform to the fund's portfolio objectives and investment guidelines.

In addition, the EAB will evaluate reports by the outside investment consultant regarding:

- each investment's (or investment option's) adherence to the initial due diligence criteria;
- any material changes in the corporate structure, investment philosophy, and/or personnel of any service vendor; and,
- any legal, SEC and/or other regulatory agency proceedings affecting a service vendor's organization.

Monitoring the fund's performance includes the periodic evaluation of the performance of the fund's outside investment consultant, custodian, and other entities providing investment or financial services (e.g., banks). It is at the EAB's discretion to take corrective action by replacing an investment consultant or custodian at any time.

The EAB shall report quarterly to the Parish Council regarding investment performance of the fund. Reports to the Parish Assembly shall be made annually.

ROLE OF THE EAB IN PORTFOLIO MANAGEMENT

As fiduciaries under the THA Endowment, the primary responsibilities of the EAB include:

1. Reviewing this Investment Policy (IP) at least annually and revising it as needed
2. Controlling and accounting for all investment, record keeping, and administrative expenses associated with the portfolio
3. Reviewing annually the portfolio and asset allocation with the investment consultant, including
    - monitoring cash flow and liquidity needs of the investments,
    - monitoring the investment consultant and custodian's performance to determine progress toward portfolio objectives,
    - evaluating any rebalancing and/or asset allocation recommendations, and
    - evaluating short-term tactical portfolio recommendations.
4. Monitoring and supervising all service vendors and investment options
5. Periodically reviewing the arrangements with any investment consultants, managers, custodians, banks, and other entities with which the THA Endowment Fund maintains its financial assets to ensure that the costs and fees associated with each are appropriate
6. Avoiding prohibited transactions and conflicts of interest
7. For any newly appointed members of the board, providing an orientation that includes reviewing the endowment fund investment history and performance, the historical capital markets performance, and the content of this IP
8. Providing timely communication of portfolio performance

Additionally, the EAB shall provide the investment consultants with all relevant information on financial conditions and risk tolerances and notify the consultant promptly of any changes to this information. The EAB should read and understand the information contained in the prospectus of each investment in the portfolio.

ROLE OF THE INVESTMENT MANAGER/FIDUCIARY

For accounts in which the EAB grants the third-party investment manager discretionary authority:

- The investment manager will make investment decisions for the assets placed under his or her jurisdiction according to the guidelines of the IP.
- The investment manager will provide the EAB annual portfolio performance reports and recommendations, including any due diligence reports.
- The performance of the investment manager will be judged against a market-based index appropriately tailored to the agreed-upon portfolio objective.
- The investment manager will provide monthly reports that list all assets held by the THA Endowment Fund, values of each asset, and all the transactions affecting assets within the portfolio, including additions and withdrawals.

INVESTMENT POLICY REVIEW

The EAB will review this investment policy (IP) at least annually to determine whether the stated investment objectives are still relevant and the continued feasibility of achieving the same. Any change to this IP should be communicated in writing (e.g., email) and on a timely basis to all interested parties.

If any term or condition of the IP conflicts with any investment plan or outside agent agreement, the EAB Chair, the investment consultant, and the Proistamenos shall be notified so that, if possible, any discrepancies can be resolved.

F. DISTRIBUTION GUIDELINES

ENDOWMENT ACCUMULATION PHASE

The accumulation phase of the endowment shall last until the fund reaches a three-year average balance of $100,000, calculated as the fund's average market value on December 31. During the accumulation phase, no funds shall be distributed from the THA Endowment Fund, only reinvested.

DISTRIBUTION POLICY

Once the fund completes the accumulation phase (i.e., three-year, $100,000 market value), a "stair-step" approach to distribution will be applied. The stair-step approach follows this principle: The larger the endowment, the larger the distribution percentage. For example:

Three-Year Average Market Value (December 31)	Distribution Percentage (of Fund's Total Value)	
$100,000	0.5% to 1%	($500 - $1,000)
$200,000	up to 2%	(≤ $4,000)
$300,000	up to 3%	(≤ $9,000)
$400,000	up to 4%	(≤ $16,000)
$500,000	up to 5% maximum	(≤ $25,000)

The EAB shall determine how much (if any) shall be distributed from the fund. Distributions are prioritized according to the Distribution Philosophy and Giving Directives (see page 22). The maximum distribution shall be five percent (5%). If at any time the fund account balance drops below $100,000, no distributions shall be made.

G. ENDOWMENT PROTECTION POLICY

ESTABLISHMENT OF FUND

The THA Endowment shall be established as a permanent and perpetual fund dedicated to supporting the long-term mission, ministry, and financial stability of the parish (see "Exceptions to Restrictions," below). The endowment is intended to encourage legacy giving, honor past generations, and provide for the future of the parish's Orthodox Christian witness in our Northland community.

PERMANENCY OF PRINCIPAL

It is intended that the principal of the endowment fund shall be held in perpetuity. Only income and/or a designated portion of the principal of the fund, as determined by the Endowment Distribution Policy and in accordance with Orthodox Christian stewardship principles, may be distributed.

RESTRICTIONS ON USE OF PRINCIPAL

The principal of the endowment fund shall not be borrowed against, withdrawn, pledged, or otherwise encumbered for any operational or capital purposes, except under extraordinary and unforeseeable circumstances, and only in accordance with the strict process outlined in "Exceptions to Restrictions," below.

EXCEPTIONS TO RESTRICTIONS ON USE OF PRINCIPAL

Any proposed use of endowment principal, in whole or in part (i.e., partial or total liquidation), shall require the following:

1. Recommendation by Supermajority: A formal written recommendation by at least 90% of the full voting members of the Parish Council, documented in the official minutes of a properly convened meeting.

2. Special Parish Assembly Approval: Approval by at least 90% of the voting members of the parish present at a Special Parish Assembly called exclusively for this purpose. Written notice of the meeting, including specific reference to the proposed endowment liquidation, must be distributed to all stewards at least 10 days in advance.

3. Legal Review: The EAB shall consult with a qualified attorney to ensure that the proposed liquidation complies with state law.

H. DISTRIBUTION PHILOSOPHY AND GIVING DIRECTIVES

PURPOSE

These Giving Directives establish the framework for distributions from the Twelve Holy Apostles Greek Orthodox Church Endowment Fund. The directives are designed to support the Parish Mission of "Healing in Christ, Together as One Body" while ensuring responsible stewardship of endowment resources.

DISTRIBUTION PHILOSOPHY

Distributions from the endowment shall support initiatives that advance the mission and ministries of Twelve Holy Apostles Greek Orthodox Church beyond what is possible through annual stewardship and operational giving. Distributions shall be made in accordance with our parish's core values:

HEAR†S:
Humble love
Eucharistic connection
Active discipleship
Repentant hearts
† (cross-centered)
Steadfast evangelism

DISTRIBUTION METHOD

Any available funds (see “Distribution Policy,” page 20) shall be distributed through grant awards. The solicitation and awarding of grants shall be managed by the EAB.

DISTRIBUTION PRIORITIES

Distributions (i.e., “grant awards”) from the endowment shall support the following priorities:

- Our Parish Vision
- Outreach
- Parishioner and Community Care

Our Parish Vision

The THA Endowment prioritizes initiatives that directly support one or more of the four key elements of our Parish Vision:

- **Developing servant-leaders** who lead by example in all areas of parish life
- **Enhancing transformative Orthodox worship and ministries** that grow our parishioners into faithful Orthodox Christians, transporting them from earth to heaven. Transformative worship includes not only our liturgical services, but also our Music Ministry. Other ministries specifically identified in our Parish Vision include:
  - Evangelism and Outreach Committee
  - Ladies Philoptochos Society ("Philoptochos" means "friend of the poor"; this ministry provides charitable works, philanthropic support, and community outreach)
  - Men's Group
  - Youth Ministry
  - College Ministry

  Educational programs that are highlighted in the Parish Vision include the Catechism Program, Bible/religious classes, and other programs that deepen parishioners' understanding of the Bible, prayer, and the Orthodox faith.
- **Spreading the Gospel and loving our neighbors** through community-building activities that are centered on Christ's love. Most often these activities are carried out through our parish ministries and educational programs (see above).
- **Growing our parish so that it is sustainable and thriving**. Growth and enrichment projects may include:
  - Projects that directly support the five-year goals of the parish (e.g., the 2024 five-year goals include, among others: 125+ steward households; budget funded through stewardship while the Greek Festival raises money for outreach, evangelism, and parishioner/community care; and two sessions of catechism classes each year). See "Parish Vision – 12 Holy Apostles," in the Appendix, for more details.
  - The development of new, internal ministries that support the parish community and strengthen the Parish Mission
  - Other growth and enrichment programs, projects, or events (e.g., educational workshops, guest speakers, retreats, etc.) that help our

parishioners thrive as individuals, as families, and as members of our parish community

- Parish improvement projects that not only ensure sustainability, but also support future growth
- Seed money for new initiatives that will strengthen the Parish Mission but are beyond the general operating budget of the parish. Generally, these initiatives are innovative, well-researched, and pre-approved by the Proistamenos and Parish Council.

Outreach

The THA Endowment also prioritizes initiatives that support outreach. Such initiatives may include:

- Supporting the ministries of the Assembly of Canonical Orthodox Bishops and affiliates. These ministries include, among others:
  - IOCC – International Orthodox Christian Charities
  - OCMC – Orthodox Christian Mission Center
  - OCPM – Orthodox Christian Prison Ministry
- Supporting extraordinary or innovative evangelism opportunities that help our parish become known within the community for our commitment to Christ
- Supporting growth and enrichment projects for non-profit organizations, both Orthodox and non-Orthodox, with priority given to those with an established relationship with Twelve Holy Apostles Church.

Parishioner and Community Care

Funding and initiatives that support Parishioner and Community Care are also a priority. These may include:

- The endowment's funding of Parish Charitable Needs. Parish Charitable Needs is intended to provide short-term financial relief for parish members in good standing who are experiencing extraordinary medical, financial, or other hardships. Funding requests for Parish Charitable Needs shall be confidentially submitted to the EAB by the Proistamenos (see the "Charitable Needs Request Form," in the Appendix) and shall not include any personally identifiable information about parishioners or disbursements. To maintain parishioner privacy, any reports submitted to the EAB regarding disbursements of endowment funds through Parish Charitable Needs shall contain only anonymized, aggregated data.
- Initiatives providing disaster relief in response to catastrophic emergencies affecting parish property or situations of extraordinary need

- Initiatives providing community, state, national, and international relief efforts aligned with Orthodox Christian principles

GRANT ADMINISTRATION

The EAB shall oversee the

- solicitation and collection of grant applications,
- review and approval of the grant requests, and
- collection and review of grant recipients' reports,

while ensuring that parish ministries and outside organizations seeking funding are in alignment with the distribution philosophy outlined above. The EAB is also responsible for properly documenting, administering, fulfilling, and reporting any grants from the endowment, coordinating the distribution of funds with parish and fund administrators.

I. ANNUAL REPORTING AND COMMUNICATION ACTIVITIES

As noted in the Investment Policy, the EAB shall report an annual accounting of the endowment, including fund performance, gifts received, and grants distributed, to the Parish Council and the Parish Assembly.

In addition to annual reporting, the EAB shall communicate with parishioners, donors, and beneficiaries its activities related to the grant application and fulfillment process and its advancement and promotion of the endowment and its purpose. This report shall focus on the fruits of collective generosity rather than individual contributions.

The annual report may include:

- Total number of donors (without names)
- Sizes of gifts received (without attribution)
- Financial performance of the fund
- Distribution information
  - Number of grants awarded
  - Grant amounts and recipients
  - Impact stories from funded ministries and initiatives

J. DOCUMENTATION AND HISTORICAL ARCHIVE

GIFT-RELATED RECORDS

- The EAB shall maintain accurate records of all gifts received.
- Records shall be stored and safeguarded for legal, financial, and stewardship purposes.
- These records shall be kept confidential and accessed only by authorized individuals with a legitimate need for the information.

GRANT-RELATED RECORDS

- The EAB shall maintain accurate records of all grant applications received and grants awarded.

HISTORICAL ARCHIVE

- The parish may maintain a confidential historical archive documenting significant gifts and their impact on the parish's mission and ministries.
- This archive shall be accessible only to the Proistamenos, current EAB members, and others specifically authorized by the Parish Council.
- The primary purpose of this archive shall be to preserve the parish's history and the legacy of faithful stewardship for future generations.

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APPENDIX: RELATED DOCUMENTS

The following pages contain previews of additional documents related to the administration of the endowment. These documents exist as separate files (i.e., Word and PDF files) and are maintained in the Parish Office.

- Grant Request Form
- Charitable Needs Grant Request Form
- Parish Mission, Core Values, Vision, and 5-Year Plan
- [TBD – Grant Reporting Form]
- [TBD – Grant Application Guidelines (Packet)]
- [TBD – Grant Opportunities / Pre-Solicitation Notice / Outreach Materials]
- etc.

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12 Holy Apostles
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Endowment Grant Request Form

If you need more space, you can attach additional pages.

Date | Name of Beneficiary Ministry/Organization | Name of Program/Initiative

Primary Contact Name | Phone | Email

☐ Parishioner ☐ Other:

Contact's Association or Affiliation with Twelve Holy Apostles Greek Orthodox Church

Community Served by Proposed Initiative

$

Grant Amount Requested (Are funds needed by a certain date? If so, when and why?)

Project Scope and Purpose

1. What is the mission of the proposed initiative, and how does that mission align with the mission of the parish?

2. To achieve the program's mission, what objectives do you propose?

3. Are these objectives measurable? (i.e., How will you know that you have met the objectives?)

4. How will achieving the program's mission (through meeting the objectives) benefit the community served?

5. Which of our parish's core values (H.E.A.R.†.S.) will be reflected in the proposed program/initiative and how?

Our Parish Vision encompasses four key areas:

(1) Developing our ministry leaders to become servant-leaders,
(2) Offering transformative worship and ministries for our parishioners, catechumens, and enquirers,
(3) Spreading the Gospel and loving our neighbors within and outside of our parish,
(4) Growing our parish so that it is sustainable and thriving.

6. How does the proposed program/initiative support this four-fold vision?

Grant requests are evaluated according to the distribution priorities outlined in the Endowment Funds Giving Directives (see the attached grant request worksheet package). These priorities not only align with our Parish Vision, but also directly support it:

- Support the Parish Vision (directly)
- Support Growth and Enrichment
- Fund Outreach and New Ministries
- Provide Parishioner and Community Care

7. In addition to supporting the Parish Vision, does the proposed program/initiative meet any of the other three distribution priorities? How?

8. How many people will be served by the proposed program?

9. What is the timeline for the program? (planning phase/start/stop)

10. If program costs exceed this grant request, what other sources of support are available to ensure success?

11. Is there more you'd like to share about the program or your ministry/organization? (Attachments are accepted.)

The Twelve Holy Apostles Endowment appreciates your good works. Your request will be reviewed, and our decision will be communicated to you via email. Please retain a copy of this grant request for your files as it will be helpful to you later when you report your program's progress and success. Thank you!

For Endowment use only:

Date received _____ Date accepted _____ Amount granted $ _____

Date reviewed _____ Date rejected _____

Reason for rejection _____

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PLANNED
GIVING

Charitable Needs Request Form

For Use by the Proistamenos to Request
Transfer of Funds from the THA Endowment to the
Parish Charitable Needs Account of the Philoptochos

Date	$ Amount Requested	Date Required

Are funds needed by a certain date? If so, when and why?

Signature

Other Comments:

For Endowment use only:

Date received _____ Date accepted _____ Amount granted $ _____

Date reviewed _____ Date rejected _____ Date of transfer or Date of check _____

Check no. (if any) _____

Authorized By (Print Name) _____ Signature _____

Comments:

Attach copies of any supporting documents.

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Vision—12 Holy Apostles

Mission Statement

We help our neighbors of the Northland find healing in Jesus Christ so that together we become the Body of Christ.

"Healing in Christ, Together as One Body."

Our Core Values

H—humble love (humility)
E—eucharistic connection (worship)
A—active discipleship (ongoing learning)
R—repentant hearts (second chances)
t—cross-centered (all for Christ)
S—steadfast evangelism

Vision for Our "Team" (Ministry Leaders)

We ***develop servant-leaders*** who lead by example in all areas of church life, including:

- Regularly participating in worship and other ministries,
- Leading the parish in stewardship of time, talent, and treasure,
- Welcoming new folks in our community,
- Working together in innovative ways to further the mission of the Church.

Vision for Our "Products" (What we have to offer)

A team of servant-leaders allows us to ***offer transformative worship and ministries*** that grow our parishioners into faithful Orthodox Christians.

We do this by offering:
- Orthodox worship that transports people from earth to heaven;
- Ministries that educate people about the Bible, our Orthodox faith, and prayer;
- A warm community centered around the love of Christ.

Vision for Our "Sales and Marketing" (How we reach out)

As transformed Orthodox Christians, we are able to ***spread the Gospel and love our neighbors*** with

- A Dynamic Evangelism and Outreach Committee;
- A Caring Philoptochos;
- A Thriving Men's Group;
- Uplifting Bible/Religious classes
- An inspiring catechism program;
- A robust youth ministry;
- An engaged college ministry.

Vision for Our "Impact" (5 year)(Results)

All of this results in the ***growth*** of our parish so that it is sustainable and thriving.

Specifically:

- There are over 125 stewards (family units) in our parish;
- We are able to meet our annual budget through stewardship;
- The Greek festival raises money for evangelism, outreach, and those less fortunate in our community;
- We have two sessions per year of catechism classes with several people in each session;
- We, as a church, are known for our commitment to Christ and not the Taste of Greece festival, bingo, bake sales, gyro sales, or other fundraising events.