



Westminster
Presbyterian Church

Westminster Foundation Charter

Amendment and Restatement

Session Submission

Wednesday, September 25, 2019

Session Approval

Wednesday, December 4, 2019

Restated Charter Effective

January 1, 2020

Charter
Westminster Foundation
Westminster Presbyterian Church
Alexandria, Virginia

Approved by Westminster Session on December 4, 2019

Brief History

Westminster Presbyterian Church, Alexandria, Virginia (hereinafter Westminster) authorized the establishment of the Westminster Endowment Fund in November 1976 and, upon receipt of its first gift of \$53,937, issued a Charter on September 16, 1981. In June of 1999, the Session revised the Charter of the Endowment Fund to create the Westminster Foundation, allowing the Foundation to accept all gifts and bequests, endowed or not, and restricted in use or unrestricted. Other amendments have been adopted by the Session changing procedures, governance, and church organization.

In June 2011, the Session established seven reserve accounts with income from cellular phone leases. Custody of the reserve funds was given to the Foundation for management and investment. In January 2019, the Session established an eighth reserve account by transferring funds from the Operating Budget to the Foundation. None of the reserve funds are endowed, but each is restricted in purpose and scope.

In 2018, the church created a financial planning task force to bring together leaders of every segment of Westminster to project the financial needs and future sources of income for the next three years. The final report in September 2018 envisioned a restructure of the Westminster Foundation to align the Foundation funds to reflect the structure of Session committees as well as their budgeting and staffing. The task force also recommended the use of an adjusted moving average of the value of all endowed funds to support the congregation on an annual basis.

1. ORGANIZATION

1.1 Name. The Organization shall be known as the Westminster Foundation.

1.2 Creation. The Westminster Foundation is organized as an Institutional Fund under the Uniform Prudent Management of Institutional Funds Act as enacted and amended by the Commonwealth of Virginia.

2. PURPOSE

2.1 Mission.

The Westminster Foundation shall exist as a means by which members and friends of Westminster may contribute to the life and work of Westminster in a way that differs from faithful pledge contributions and weekly offerings. The expenses for day-to-day operations, routine maintenance

of the building and grounds, and traditional mission programs funded within the operating budget shall continue to be met by annual pledges and current gifts. Westminster Foundation funds should support the ministries of Westminster with supplemental funds to allow the Session committees to enhance their programs, reach into higher levels of engagement, and explore new opportunities to grow their ministries in areas impossible without the funds from the Westminster Foundation.

2.2 Scope.

The Westminster Foundation is organized around nine funds reflecting the organization of the church ministries and Session committees. Except for Funds T and U, each fund has at least one endowed account and may include non-endowed restricted accounts and reserve accounts.

Fund A. Legacy Fund. The Legacy Fund contains only unrestricted endowed accounts and creates a place for future donors who want to give to the work of Westminster and allow the proceeds from the endowment to be used for the most important unmet needs of the church in the future. This fund comes under the jurisdiction of the Session Committee on Administration and Finance.

Fund B. Buildings and Grounds. Fund B is exclusively for the support of Westminster building and grounds maintenance, replacement, and enhancements under the jurisdiction of the Session committee on Buildings and Grounds. Consisting of endowed accounts, restricted accounts, and the Capital Maintenance Reserve, this fund is available for those who want to make a long-term investment in the church's physical assets.

Fund C. Concerts/Worship and Music. Consisting of several endowed accounts and restricted non-endowed accounts, Fund C supports concerts, worship, and music, all of which come under the jurisdiction of the Session Committee on Worship and Music. It also includes two reserve accounts: Organ Maintenance Reserve and the Special Music Performance Reserve.

Fund D. Capital Improvements. Fund D maintains accounts for capital improvements, as established in 1999. Although the original assets were endowed accounts, the church may borrow the principal for a capital campaign or major maintenance with approval of the Session and Foundation Board. As with other endowed accounts, Fund D endowed accounts will be subject to the annual adjusted moving average, and the proceeds will be available to the Session Committee on Buildings and Grounds.

The Capital Improvement Reserve is also part of this fund. New gifts and bequests can be held in this restricted non-endowed component of Fund D to facilitate receiving or raising gifts directed for new capital improvement projects.

Fund E. Education/Christian Formation. Fund E includes endowed accounts for children, youth, adults, and families. Annual distributions from endowed accounts will be available to the Session committees under the Christian Formation ministry. Requests for proceeds from non-endowed restricted accounts will be available upon approval of Session and Foundation Board.

Fund F. Fellowship/Congregational Life. Fund F is for endowed and restricted accounts

designated for nurturing the life of the Westminster congregation through programs under the jurisdiction of the Session Committee on Congregational Life. The Retreat Reserve comes under this fund.

Fund M. Mission & Service. Fund M has three components to its ministry: local, national, and international. Each component has an endowed account and non-endowed restricted accounts. National Mission has a reserve account, as does Local Mission.

Fund T. Digital Ministries and Technology. Fund T is for a new ministry involving website design and maintenance, social media, digital outreach and marketing. This fund does not have any endowed accounts, but it does have purview over the Technology Reserve Fund.

Fund U. Unallocated/Temporary Memorials. Fund U has no endowed funds and consists of short-term memorial accounts established upon the death of a member or associate member of Westminster. Most are restricted by the family and deployed within a year. This fund also serves as a place for unrestricted bequests while Foundation Board and Session make the allocation.

3. DEFINITIONS

3.1 **Endowment Accounts** mean assets which, under the terms of the applicable Gift Instrument, are not wholly expendable on a current basis, but are appropriated for expenditure or accumulated in accordance with the standards of the Uniform Act.

3.2 **Pre-existing Endowment Accounts** are those endowment assets in existence and administered under the Westminster Endowment Fund before the formation of the Westminster Foundation in 1999. These pre-existing assets include: Stubbs, Campbell Preschool, Youth Programs, Cole/Kendall, Lectures, National/International Missions, Local Missions, Capital Improvements, and Religious Tolerance.

3.3 **Gift Instrument** means a will, deed, grant, conveyance, agreement, memorandum, writing, or other governing document (including the terms of any institutional solicitations from which an institutional fund resulted) under which property is granted to, transferred to, or held by an institution as an institutional asset under the terms of the Uniform Act.

3.4 **Board of Directors** (hereinafter Foundation Board) means the governing board of the Westminster Foundation, selected in accordance with Section 5, which is hereby responsible for the management of the Westminster Foundation as provided herein.

3.5 **Memorials** mean non-endowment funds that family or friends contribute as memorials and may specify a particular purpose, church program, or unique project. If the family or donors to the memorials do not designate a use within twelve months, the assets may be transferred to other Westminster Foundation funds.

3.6 **Non-endowed Accounts** mean assets that may be fully expended on a current basis.

3.7 **Non-endowed Restricted Accounts** mean assets given and held in non-endowment accounts when donors restrict use of the assets to a specific church program or project.

3.8 **Non-endowed Unrestricted Accounts** mean non-endowment assets given without specific direction from donors.

3.9 **Unrestricted Endowed Accounts** mean endowment assets that do not contain specific limitations in the Gift Instrument which would restrict the timing or use of the assets. Fund A (The Legacy Fund) is designed for this purpose.

3.10 **Restricted Endowed Accounts** mean endowment assets that contain specific limitations in the Gift Instrument which would restrict the timing or use of the assets.

3.11 **Restricted Capital Improvement Accounts (Fund D)** includes endowment assets restricted to capital improvement projects or major long-term maintenance expenditures. With the approval of the Session and the Foundation Board, the church may borrow Fund D assets for capital improvements, repaying the same over a reasonable time at an interest rate equal to the average overall income earned from Fund D at the time of the loan.

3.12 **Reserve Accounts** were created by the Westminster Session in 2011 to manage the income the church was receiving from cellular leases. Uncertain about the duration of cellular leases, the Session decided this income should not be put into the operating accounts and be a part of the annual budget for Session Committees. Seven reserve accounts were set up in the Foundation for long-term planning; the Session added an eighth reserve account in 2019.

3.13 **Adjusted Moving Average** refers to a valuation and allocation of Foundation endowed assets, which leverages the interest, dividends, and capital gains earned from investments of Foundation assets. The Foundation Board has exclusive authority to use this approach when it has determined the needs of Westminster and the investment environment support such an option.

3.14 **Westminster Committee on Gifts and Bequests** means a committee of the Session composed of the Pastor, Director of Finance and Administration, Chair of the Westminster Foundation, and Chair of the Administration and Finance Committee.

3.15 **Westminster** means Westminster Presbyterian Church of Alexandria, Virginia.

3.16 **Uniform Act** is the Uniform Prudent Management of Institutional Funds Act (Virginia Code, Sections 55-268.11 et. Seq.).

4. MANAGEMENT AND ORGANIZATION

The Foundation Board shall have three permanent committees, with the following responsibilities:

4.1 The **Investment Committee** will be responsible for developing an investment strategy, which will be approved by the Foundation Board, to provide prudent financial growth of endowed accounts and to generate appropriate income to support church programs. The Investment

Committee will act in good faith with the care that an ordinarily prudent person in like position would exercise under similar circumstances and consider, to the extent relevant, the factors set forth in section 55.268.14(A) of the Uniform Act. The Investment Committee will review the quarterly Treasurer's Report on financial performance of Foundation assets and advise the Foundation Board of changes needed to improve asset growth and income generation. Finally, the Investment Committee will assist the Westminster Treasurer and Director of Finance and Administration in investing Foundation assets in such a way as to make allocation of income, gains, and losses in financial reports less complicated.

4.2 The **Management Committee** will work with the Foundation Chair and the Director of Finance and Administration in reviewing all gifts and bequests given to the Westminster Foundation to determine their value, purpose, restrictions, and placement in the proper Foundation accounts. The Management Committee shall recommend to the Foundation Board for proper action on requests coming from Session committees for Foundation assets, following a review of the use, benefits, purpose, and duration of such requests consistent with donor intent and the Foundation Charter. Management Committee will also review quarterly financial statements from the Westminster Treasurer to recommend better arrangement of accounts and improve understanding of Foundation activities and expenditure of Foundation assets. Finally, the Management Committee will work with the Administration and Finance Committee and the Session in managing the draw criteria and expenditure of money in Reserve Accounts.

4.3 The **Planned Giving Committee** shall work with the Foundation Board to develop programs to raise awareness within the Westminster congregation of the Foundation purpose and activities. The committee will also develop print and electronic materials to communicate opportunities to make gifts or bequests to the Westminster Foundation, while counseling potential donors on how legacy gifts can offer tax benefits. Finally, the Planned Giving Committee shall solicit gifts, bequests, and memorials from the congregation to support the work of the Foundation.

4.4 **Allocation of Endowed Assets**. The allocation of endowed assets by adjusted moving average cannot exceed 5% of endowed assets. By the end of the second quarter of the current fiscal year, the Foundation Board each year shall recommend to the Administration and Finance Committee a percentage or range of percentages to be used in the following fiscal year.

4.4.1. To smooth market volatility, the Foundation Board will use a three-year moving average using the valuation of all endowed assets at two appropriate dates for each of the most recent three prior years, as agreed to by the Foundation Board in consultation with the Administration and Finance Committee.

4.4.2. Once the three-year moving average is determined, the Foundation Board may adjust that number to add the value of any new assets received and accepted by the Westminster Committee on Gifts and Bequests during the prior twelve months.

4.4.3. The Foundation Board in consultation with the Administration and Finance Committee will decide how the adjusted three-year moving average will be paid to the Session Committees, including but not limited to monthly, quarterly, or lump sum at any point during the next fiscal year.

4.4.4. Unless otherwise established by Session, expenditures of \$1000 or less per transaction from Fund U accounts may be made upon request of a Session committee with approval of

the Director of Finance and Administration. Such approval shall include consideration of availability of funds, donor intention, and other restrictions or limitations.

4.4.5. The Director of Finance and Administration shall prepare an annual report to the Foundation Board no later than its third quarter meeting of memorial gifts received and deployed in service to the Westminster ministries.

4.4.6. The Reserve Fund Draw criteria which were established by Session on June 22, 2011, and revised in 2016 and 2019, follow this Charter and are incorporated herein by reference. The Director of Finance and Administration may disburse such funds to appropriate Session committees consistent with the approval process set out in the Reserve Fund Draw Criteria.

5. SELECTION OF DIRECTORS OF FOUNDATION

The Session shall elect twelve Directors to oversee and administer the Foundation, with four Directors being named each year to 3-year terms to provide continuity. Directors shall serve no more than three consecutive terms, or a maximum of nine consecutive years. The twelve Directors shall elect from their own ranks a Chair, Vice Chair, and Secretary/Clerk in January of each year to serve 2-year terms. The Chair will also name chairs for the three permanent committees. A person elected Chair or Secretary/Clerk may be re-elected at the pleasure of the Board, but not for more than three consecutive terms. Nominations of potential Directors shall be made by the incumbent Foundation Board and submitted to the Session at the October meeting of the Session, and election of new Directors shall be held by the Session in November of each year. Vacancies on the Board shall be filled by acting on nominations that are submitted by the incumbent Foundation Board and approved by the Session. The Church Treasurer shall be one of the twelve Directors, and the Senior Pastor shall be an *ex officio* member of the Foundation Board.

6. DUTIES OF DIRECTORS

6.1 Directors of the Foundation shall:

- meet quarterly or more often as needed to conduct the business of the Foundation
- encourage contributions to the Foundation
- counsel with potential donors, explain the purposes of the Foundation, and outline the options open to donors
- offer advice and recommendations to the Session regarding the operation and administration of the Foundation
- review the actions of the Investment Committee to assure that Foundation assets are invested in accordance with Section 6.3
- review, as the Board may deem appropriate, such prospective gifts to the Foundation prior to their acceptance by the Session for administration under the Foundation
- ensure that adequate books and records concerning the operation of the Foundation shall be kept
- advise the Session about recommendations for expenditures from the Foundation, but always in accord with the provisions of Section 6.4, and the restrictions and limitation of the Gift Instrument
- appoint committees as appropriate, and act upon any recommendations from such

committees.

- 6.2 In performance of these duties, the Directors shall appoint an Investment Committee composed of the Chair of the Foundation Board, plus two or more knowledgeable members of the Board, with the Church Treasurer and the Senior Pastor serving as advisors and *ex officio* members. Investment Committee recommendations of the investment policy, made in accordance with the standards set out in the Uniform Act, shall be considered and acted upon by the Foundation Board. The Investment Committee may pool endowed funds to simplify and create better investment opportunities. The Investment Committee can also pool Reserve Accounts for similar reasons. The Foundation Board can pool other assets in non-endowed and non-reserve accounts when it determines such a move is appropriate.

The Director of Finance and Administration, under the direction of the Church Treasurer, shall implement the investment instructions of the Investment Committee in common investment assets and allocate such earnings to the appropriate Foundation funds.

- 6.3 Management and Investment of Funds. Except as otherwise provided by a Gift Instrument, in managing and investing Foundation funds, the Board shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, to the extent relevant, the factors set forth in Section 55-268.13(E)(1), or any successor provision, of the Uniform Act, which, as of the effective date hereof, are as follows:

- (a) General economic conditions;
- (b) The possible effects of inflation or deflation;
- (c) The expected tax consequences, if any, of investment decisions or strategies;
- (d) The role that each investment or course of action plays within the overall investment portfolio of the fund;
- (e) The expected total return from income and the appreciation of investments;
- (f) Other resources of Westminster;
- (g) The needs of Westminster and the fund to make distributions and to preserve capital;
- (h) An asset's special relationship or special value, if any, to the charitable purposes of Westminster;
- (i) Management and investment decisions about an individual asset shall be made not in isolation but rather in the context of the Foundation's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the fund and to Westminster;
- (j) Except as otherwise provided by law, the Foundation may invest in any kind of property or type of investment consistent with Section 55-268.13 of the Uniform Act;
- (k) The Foundation shall diversify the investments unless it reasonably determines that, because of special circumstances, the purposes of the fund are better served without diversification;
- (l) Within a reasonable time after receiving property, the Foundation shall make and carry out decisions concerning the retention or disposition of the property or to rebalance a portfolio, in order to bring the fund into compliance with the purposes, terms, and distribution requirements of Westminster as necessary to meet other circumstances of Westminster and the requirements of the Uniform Act; and
- (m) A person who has special skills or expertise or is selected in reliance on the person's

representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing the funds.

- 6.4 Determination to Appropriate for Expenditure or Accumulate Endowment Funds. Subject to the terms of limitation set forth in the Gift Instrument, the Westminster Board may appropriate for expenditure or accumulate so much of the Endowment Funds as it determines is prudent for the uses, benefits, purposes, and duration for which the Foundation was established. In making a determination to appropriate or accumulate, the Board shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, to the extent relevant, the factors set forth in Section 55-268.14(A), or any successor provision, of the Uniform Act.

7. GUIDELINES FOR ACCEPTANCE

- 7.1 Acknowledgment. Upon receipt of any actual or offered gift/bequest, the Westminster Committee on Gifts and Bequests will acknowledge in writing receipt of the offer or gift. Gifts or bequests that are restricted, or unrestricted gifts of other than money or the equivalent, are governed by the policies and procedures set forth in 7.2 and 7.3, and shall be acknowledged by the Westminster Committee on Gifts and Bequests, subject to the process set forth in this section. If the gift offer is for a restricted gift or bequest, the acknowledgment shall request that the donor state in writing all restrictions/conditions of the gift/bequest. If the gift/bequest is restricted, the acknowledgment shall also state Westminster's policy on acceptance of restricted gifts, that such gifts be accepted only if they are consistent with Westminster's mission and purpose. An unrestricted gift or bequest of money or equivalent may be acknowledged and accepted immediately by the Westminster Committee on Gifts and Bequests.

- 7.2 Standards for Acceptance. Within thirty (30) days of receipt of the gift offer, the Westminster Committee on Gifts and Bequests shall meet and review the gift offer and consider whether the gift shall be accepted with its restrictions. In making this determination, the Committee shall consider the following:

- (1) Is the purpose of the gift consistent with the mission and purpose of Westminster;
- (2) Is the gift consistent with any existing long-range plan of Westminster;
- (3) Do the benefits of the gift outweigh any potential adverse impact of the gift upon existing and future Westminster resources;
- (4) Will accepting the gift adversely affect the congregation or the congregation's level of giving to Westminster;
- (5) Can the gift restrictions be modified by the donor to make it acceptable to Westminster; and
- (6) Should the Committee seek input from Session committees and other organizations with programs relating to the donor's restrictions?

- 7.3 Process for Acceptance.

- 7.3.1 Gifts/Bequests under \$5,000. The Westminster Committee on Gifts and Bequests shall, within thirty (30) days of receipt of a restricted or unrestricted gift or bequest

of an asset other than cash or its equivalent, shall meet to decide on acceptance of the gift/bequest pursuant to Section 7.2 and promptly inform the Session of the action taken.

7.3.2 Gifts/Bequests of \$5,000 or more. The Westminster Committee on Gifts and Bequests shall, within thirty (30) days of receipt of the offer of a gift or bequest, meet and make written recommendations in a report to the Session regarding the disposition of the gift or bequest for consideration at the Session's next meeting, either special or regularly scheduled. This report shall contain the specifics of the gift offer, the findings of the Committee as to any potential impact the gift/bequest may have on other Westminster resources, and the Committee's recommendation as to whether the gift/bequest offer should be accepted. The Session shall promptly consider and act to accept or reject a gift or bequest pursuant to the standards of Section 7.2. The Chair of the Foundation Board shall report Session action to the donor. The donor will be requested to permit Westminster to inform the congregation of the gift/bequest and donor identity, unless requested to be anonymous.

8. GUIDELINES FOR ALLOCATION OF GIFTS/BEQUESTS

8.1 Restricted gifts/bequests shall be allocated and transferred to funds (new or existing) that fully comply with the use, purpose, project, or program designated by the donor, and with any limitations imposed by the donor.

8.2 Unrestricted gifts/bequests shall be allocated (absent a specific direction of the Session) to the Legacy Fund A.

9. RECORDS

9.1 Gifts and Bequests. The Church Director of Finance and Administration, under the direction of the Church Treasurer, shall prepare and maintain a permanent comprehensive record of each gift/bequest made to Westminster; each gift/bequest accepted; the Fund to which the gift/bequest is allocated and transferred; the Gifts Instruments for each gift/bequest properly indexed, including any and all restrictions, limitations, and instructions from the donor; for each Session Committee, a listing of all gifts/bequests allocated to a fund; and annual reports of the Church Treasurer setting forth for each Session Committee the principal balance, earnings (whether realized or unrealized), and all expenditures from each fund.

9.2 The Church Treasurer shall provide, periodically and upon request and at least annually, reports to the Foundation Board and the Session, and provide an annual report setting forth for each Fund (i) the previous principal balance, (ii) earnings, both realized and unrealized, (iii) any expenditures from each fund, and (iv) the remaining balance of the fund.

9.3 Review of Accounts. The Foundation Board shall review the periodic and annual reports prepared by the Church Treasurer and shall forward to the Session the report and any recommendations with respect to such reports as the Board may deem appropriate.

10. LIMITATIONS OF LIABILITY

The Session, the Directors of the Foundation Board, and the Church Treasurer shall not be liable except for gross negligence or willful violation of their duties.

11. EFFECTIVE DATE

This Restated Charter shall become effective on January 1, 2020, and the Charter for the Westminster Endowment shall terminate on the same date.

12. AMENDMENTS

Amendments to this Charter shall be made in the same manner as amendments to the Westminster Bylaws. The Foundation Directors may recommend amendments and shall be consulted prior to any proposed amendment being submitted to the Session. The terms of all prior amendments to the Charter are incorporated in this document.

Endowment Established November 17, 1976
Charter issued September 16, 1981
Amended October 17, 1984
Amended February 19 and April 16, 1986
Amended November 14, 1990
Charter revised forming Westminster Foundation June 23, 1999
Amended September 24, 2003
Amended December 1, 2004
Amended December 3, 2008
Amended June 22, 2011
Amended and Restated December 4, 2019

Reserve Fund Draw Criteria
Approved by Session June 22, 2011
Revised and Approved by Session January 30, 2016
Revised and Approved by Session May 22, 2019

Introduction: In January 2011, the Westminster Presbyterian Church Session approved the establishment of seven reserve funds, into which were placed funds from the new cell phone contracts and from certain undesignated bequests. An eighth fund was established by the Session on January 30, 2019 and funded by transferring excess reserve and operating funds into the account. The reserve funds have been designed to allow better long-term planning and budgeting for readily predictable yet non-routine expenditures relating to core Westminster functions, including maintaining the physical plant; music ministry; mission; and retreats. Routine and ordinary expenditures generally will be built into the Church's annual operating budget.

When the Session approved the establishment and funding of the original seven reserve funds, it also provided that no money could be spent from them until the Session also approved the draw criteria, which would be developed by the Administration and Finance Committee in consultation with other appropriate Session committees. The original draw criteria were developed and discussed by the A&F Committee and approved by Session in 2011. Revised criteria were developed by A&F and approved by Session in January 2016. This version of the draw criteria adds the eighth fund and updates the draw criteria for all funds, to include establishing the requirement for Administration and Finance Committee review with a recommendation to Session for disposition of all expenditures that require Session approval. This additional review is necessary because A&F has primary responsibility for managing the necessary allocation of funds from available resources in order to maintain long-term financial viability of the reserve funds as well as the overall financial health of church budget resources of which reserve funds are a part.

The purpose of these draw criteria is to provide guidance regarding the appropriate uses of these funds, and to ensure appropriate oversight by the Session over relatively large expenditures. The recommended draw criteria for each reserve fund are discussed below:

Capital & Maintenance Reserve Account: (1) resides in **Foundation Fund B**; (2) fund balance (including interest and dividends from the portion of the CMRF that is invested by the Foundation Board) can be used at any time; (3) amounts from the fund can only be spent with the approval of, and upon the request of, the Building & Grounds Committee; (4) up to \$5,000 can be spent from the fund for any single item or project, without the need for A&F review or Session approval, provided both the Foundation Board and the Director of Finance and Administration agree that the item or project is an approved use; (5) expenditures from the fund of \$5,000 or more for a single item or project must be approved by the Session after receiving a request from the B&G Committee and a recommended disposition of that request from the Foundation Board and the A&F Committee; (6) approved uses include the replacement of or major repair to any portion of the church building and its contents, including furniture, and any portion of the church grounds; (7) approved uses do not include routine grounds work, snow removal, cleaning or custodial work, routine small-scale repairs, maintenance and replacements, and other expense items that in the judgment of the Foundation Board and the Director of Finance and Administration should properly be funded out of the church's annual operating budget.

Capital Improvement Reserve Fund: (1) resides in **Foundation Fund D**; (2) fund balance can be used at any time; (3) amounts from the fund can only be spent with the approval of, and upon the request of, the Building and Grounds Committee; however, the B&G Committee is directed to solicit and carefully consider recommendations for expenditures from other Session committees; (4) up to \$5,000 can be spent from the fund for any single item or project, without the need for Session approval or A&F review, provided both the Foundation Board and the Director of Finance and Administration agree that the item or project is an approved use; (5) expenditures from the fund of \$5,000 or more for a single item or project must be approved by the Session after receiving a request from the B&G Committee and a recommended disposition of that request from the Foundation Board and the A&F Committee; (6) approved uses include expenditures that increase the capacity, productivity or efficiency of Westminster facilities, particularly, although not exclusively, through additions, physical enlargement, expansion, enhancement or adapting facilities to new or different uses; or fixing a defect or design flaw; (7) approved uses do not include ordinary and necessary repair and maintenance expenditures that in the judgment of the Foundation Board and the Director of Finance and Administration should properly be funded out of the church's annual operating budget or from the Capital Maintenance Reserve Fund.

Organ Maintenance Reserve Fund: (1) resides in **Foundation Fund C**; (2) fund balance can be used at any time; (3) amounts from the fund can only be spent with the approval of, and upon the request of, the Worship and Music Committee; (4) up to \$2,500 can be spent from the fund for any single project, without the need for Session approval, provided both the Foundation Board and the Director of Finance and Administration agree that the project is an approved use; (5) expenditures from the fund of \$2,500 or more for a single project must be approved by the Session, after receiving a request from the Worship and Music Committee and a recommended disposition of that request from the Foundation Board and the A&F Committee; (6) approved uses include all forms of maintenance on the organs in the church sanctuary and chapel except as provided in (7); (7) approved uses do not include tuning of the church organs, which must be paid for out of the annual operating budget, or the purchase or maintenance of any musical instrument, other than the organs.

Technology Reserve Fund: (1) resides in **Foundation Fund T**; (2) fund balance can be used at any time; (3) amounts from the fund can only be spent with the approval of, and upon the request of, the Digital Ministries Committee; (4) up to \$2,500 can be spent from the fund for any single item or project, without the need for Session approval, provided both the Foundation Board and the Director of Finance and Administration agree that the item or the project is an approved use; (5) expenditures from the fund of \$2,500 or more for a single item or project must be approved by Session, after receiving a request from the Digital Ministries Committee and a recommended disposition of that request from the Foundation Board and the A&F Committee; (6) approved uses include the purchase of AV equipment and all office-type equipment located anywhere in the church; including computers (whether desktops, laptops or tablets), software, printers, fax machines, copying machines, etc.; (7) approved uses do not include maintenance of any equipment, or the purchase of consumable supplies for office equipment (such as printer cartridges and paper).

Special Music Performance Reserve Fund: (1) resides in **Foundation Fund C**; (2) fund balance can be used at any time; (3) amounts from the fund can only be spent with the approval of, and upon the request of, the Worship and Music Committee; (4) up to \$2,500 can be spent from the fund for any single musical performance or purpose, without Session approval, provided both the Foundation Board and the Director of Finance and Administration agree that the expenditure is being made for an approved use; (5) expenditures from the fund of \$2,500 or more must be approved

by Session after receiving a request from the Worship and Music Committee and a recommended disposition of that request from the Foundation Board and the A&F Committee; (6) approved uses include special music performances that are held at infrequent intervals, and that may or may not be part of a regularly-scheduled worship service; (7) approved uses do not include special music that has traditionally been a part of Westminster worship services and which is properly funded out of the church's annual operating budget.

National Mission Projects Reserve Fund: (1) resides in **Foundation Fund M**; (2) fund balance can be used at any time; (3) amounts from the fund can only be spent with the approval of, and upon the request of, the National Mission Committee; (4) up to \$2,500 can be spent from the fund for any single item or project, without the need for Session approval, provided both the Foundation Board and the Director of Finance and Administration agree that the item or project is an approved use; (5) expenditures from the fund of \$2,500 or more for a single item or project must be approved by the Session, after receiving a request from the National Mission Committee and a recommended disposition of that request from the Foundation Board and the A&F Committee; (6) approved uses include projects or expenses for national mission activities supported by the church; (7) approved uses do not include expenditures that either explicitly or implicitly give rise to an expectation by the recipient of a continued stream of funding from Westminster, or that will cause the recipient to undertake financial obligations reasonably giving rise to such an expectation.

Local Mission Projects Reserve Fund: (1) resides in **Foundation Fund M**; (2) fund balance can be used at any time; (3) amounts from the fund can only be spent with the approval of, and upon the request of, the Local Mission Committee; (4) up to \$2,500 can be spent from the fund for any single item or project, without the need for Session approval, provided both the Foundation Board and Director of Finance and Administration agree that the item or project is an approved use; (5) expenditures from the fund of \$2,500 or more for a single item or project must be approved by the Session, after receiving a request from the Local Mission Committee and a recommended disposition of that request from the Foundation Board and the A&F Committee; (6) approved uses include projects or expenses for local mission activities supported by the church; (7) approved uses do not include expenditures that either explicitly or implicitly give rise to an expectation by the recipient of a continued stream of funding from Westminster, or that will cause the recipient to undertake financial obligations reasonably giving rise to such an expectation.

Retreat Reserve Fund: (1) resides in **Foundation Fund F**; (2) fund balance can be used at any time; (3) amounts from the fund can only be spent with the approval of, and upon the request of, the Congregational Life Committee or the Christian Formation Committee; (4) up to \$2,500 can be spent from the fund for any single item or project, without the need for Session approval, provided both the Foundation Board, and the Director of Finance and Administration agree that the item or project is an approved use; (5) expenditures from the fund of \$2,500 or more for a single item or project must be approved by the Session, after receiving a request from the Congregational Life Committee or the Christian Formation Committee, and a recommended disposition of that request from the Foundation Board and the A&F Committee; (6) approved uses include paying or subsidizing the costs of any Westminster-sponsored retreat, including a retreat by youth, young adults, women, men, families, or singles, and providing scholarships for church members unable to pay their own costs to attend Westminster retreats; (7) approved uses do not include any church expenditures not directly connected to a retreat sponsored by Westminster for the benefit of Westminster members.

Competitive Bidding: Any anticipated expenditure of \$10,000 or more from any reserve fund shall be competitively bid by the relevant committee, with the assistance of the Director of Finance and Administration, soliciting no fewer than two competitive offers, while taking into account that the lowest bid received is not always the best or most economical choice.

Appeals: The draw criteria above may not readily fit every situation that may arise. Therefore, if there is a disagreement between a relevant committee, the Foundation Board, the Administration and Finance Committee, or the Director of Finance and Administration over whether a proposed expenditure appropriately may be funded from a particular reserve account, any party shall have the option of taking such a disagreement to the Session for resolution.

Suggested form of Motions to Session: “The _____ Committee recommends an expenditure of up to \$_____ from the _____ Reserve Fund for _____. This request has been approved by the Foundation Board and has received a favorable recommendation from the Administration and Finance Committee [where relevant: more than one bid has been solicited / considered].”

Larry R. Hayward
Pastor and Moderator

Clerk of Session

Effective Date: January 1, 2020