

## **The Trinity Foundation** **Fund Descriptions**

This document sets forth the purposes, restrictions, and distribution procedures for the various funds managed by The Trinity Foundation. Unless other governing documents are referenced within the description of a particular fund, this document shall serve as the sole governing document for all the funds identified herein. This document may be amended by the Vestry from time to time to create new funds or modify the descriptions of existing funds, unless such modifications are restricted by law or this document.

### **Definitions**

- **Endowed Funds.** Endowed funds are intended to be permanently invested funds. While a portion of endowed funds, referred to herein as the “Spending Rate” (see Distribution Procedures for Endowed Funds, below, for more detail), may be utilized for appropriate fund purposes, this designation assumes that the fund is to be preserved and should grow to keep pace with overall market conditions.
  - **Permanently Endowed.** If funds are permanently endowed by a donor or are directed by a donor to a fund that is designated as a permanently endowed fund by the Vestry, such funds may not later be changed to a non-endowed fund by the Vestry. The Foundation’s General Endowment Fund and Churchyard Fund are examples of permanently endowed funds.
  - **Temporarily Endowed.** Temporarily endowed funds are funds that have been designated as endowed funds by the Vestry or by a donor on a temporary basis. The Vernon Funds, for example, were received from the estate of Tom Vernon as an unrestricted gift and designated by the Vestry as temporarily endowed funds. However, the Vestry has the authority to alter this designation at any time.
- **Non-Endowed Funds.** Non-endowed funds may be fully expended for appropriate fund purposes. The Building and Property Fund and the Landscaping and Grounds Fund are examples of non-endowed funds.
  - **Restricted Funds.** Restricted funds may only be utilized for designated purposes. If a donor makes a contribution to a restricted fund that imposes additional restrictions that are more limited than the general restrictions of the fund, a gift agreement memorializing the donor’s additional restrictions will be maintained.
    - **Permanently Restricted.** If funds are permanently restricted by a donor or are directed by a donor to a fund that has been designated as a permanently restricted fund by the Vestry, such fund restrictions may not later be changed by the Vestry. The Churchyard Fund, the Organ Maintenance Endowment, and the Seminarian Fund are examples of permanently restricted funds.
    - **Temporarily Restricted.** Temporarily restricted funds are funds that have been designated as restricted funds, by time or by project, by the Vestry or by a donor on a temporary basis. As noted above, the Vernon Funds were received from the estate of Tom Vernon as an unrestricted gift and designated by the Vestry as restricted funds. However, the Vestry has the authority to alter this designation at any time.

- Unrestricted Funds. Unrestricted funds may be used for any purpose. The Daughters of the Holy Cross Fund is an example of an unrestricted fund.
- Distributions and Disbursements. “Distributions” means the allocation of any particular amount(s) from a given fund for operational or programmatic purposes, and “disbursements” means the expenditure of approved distributions. Once distributions from a fund have been authorized as provided herein, no additional approval or authorization is needed from the Vestry or Finance Committee for the disbursement of all such distributions.

## **General Endowment Fund**

- Governing Document. Trinity Foundation Bylaws and Trinity Cathedral Vestry Resolution of September 26, 2019.
- Type of Fund. This fund is permanently endowed and temporarily restricted.
- Description and Purpose. 75% of the annual Spendable Amount (as hereinafter defined) of this fund will be permanently transferred to the Trinity Mission and Ministries Fund. The remaining 25% of the annual Spendable Amount will remain in the General Endowment Fund, and may be used for extraordinary expenses or non-budgeted items as approved by the Vestry.
- Distribution Authorization. Distributions from this fund must be approved by the Vestry.

## **Facilities Funds**

### **Building and Property Fund / Third Century Fund**

- Governing Document. Trinity Foundation Bylaws and Trinity Cathedral Vestry Resolution of September 26, 2019. The name “Third Century Fund” was added in August of 2013.
- Type of Fund. This fund is non-endowed and permanently restricted.
- Description and Purpose. The assets held in this fund may be used only for the purpose of helping to meet the needs of the internal or extended mission of the Cathedral for additional land, a new building, or additions, repairs, improvements or renovations to existing buildings and grounds.
- Distribution Authorization. Distributions from this fund must be approved by the Vestry.

### **Churchyard Fund**

- Type of Fund. This fund is permanently endowed and permanently restricted.
- Description and Purpose. The fund was established prior to 2012. Distributions from this fund may be used only for maintenance, repairs, and improvements to the cemetery including, but not limited to, landscaping, gravestones, walls, gates, and walkways.
- Distribution Authorization. Distributions from this fund must be approved and allocated by the Vestry as part of the Cathedral’s annual budgeting process.

- **Harriet and Walter Keenan Family Fund (8/2024)**
  - Type of Fund. This fund is *non-endowed* and *permanently restricted*.
  - Description and Purpose. This fund was created in 2024 with proceeds from a life insurance policy insuring the lives of Walter M. Keenan and Harriet H. Keenan. Distributions from this fund may be used on the Trinity Cathedral campus at 1100 Sumter Street, Columbia, South Carolina, to maintain, improve, enhance, and expand the programs, staff, facilities, and grounds.
  - Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.
- **Landscaping and Grounds Fund**
  - Type of Fund. This fund is non-endowed and permanently restricted.
  - Description and Purpose. This fund was created in December of 2017 by a bequest from George Betsill, a noted landscape architect. Distributions from this fund may be used to improve and maintain the Cathedral's landscaping and grounds.
  - Distribution Authorization. The Finance Committee may approve distributions from this fund of \$25,000 or less. All other distributions from this fund must be approved by the Vestry.
- **Parish House Centennial Fund (10/2024)**
  - Type of Fund. This fund is *non-endowed* and *permanently restricted*.
  - Purpose. This fund was created in 2024 with a \$25,000 gift from the Stringer Foundation. Distributions from this fund shall be used to refurbish and improve the Parish House (e.g., Stirling Room, restrooms, Flower Room, serving line approach, etc.) in advance of its Centennial in 2026.
  - Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.
- **Trinity Center Fuller Fund (8/2024)**
  - Governing Document. Last Will and Testament of Mary Mabry Fuller dated May 21, 2002, and *Trinity Foundation Trustee Resolution* dated July 30, 2022.
  - Type of Fund. This fund is *non-endowed* and *permanently restricted*.
  - Description and Purpose. This fund was created by the Foundation and approved by the Vestry in 2022 to receive a bequest from Mary Mabry Fuller to the Trinity Foundation. The terms of Mrs. Fuller's Will provide that the funds are to be used for "ongoing operating expenses of the Trinity Center for Mission and Ministry." Accordingly, distributions from this fund may be requested for maintenance, improvement, and operating expenses of the Trinity Center facility and for the support of activities and programs utilizing the Trinity Center, which currently include college, youth, and children's ministries.
  - Distribution Authorization. The Finance Committee may approve distributions from this fund of \$25,000 or less. All other distributions must be approved by the Vestry.

- **Vernon Facilities Fund**

- Governing Documents.
  - Background, Understanding, and Intentions Regarding the Vernon Bequest dated November 15, 2012.
  - Guidelines for Disbursement of Vernon Funds dated July 25, 2013.
  - Trinity Cathedral Vestry Resolution of September 26, 2019.
- Type of Fund. This fund is temporarily endowed and temporarily restricted.
- Description and Purpose. This fund was created by the Vestry in March of 2012 with a portion of the bequest from Tom Vernon. Distributions from this fund may be used for Facilities as outlined in the governing documents.
- Distribution Authorization. Distributions from this fund must be recommended to the Finance Committee by the Vernon Fund Committee and must be approved by the Vestry.

## **Christian Formation Funds**

- **Vernon Christian Formation Fund**

- Governing Documents.
  - Background, Understanding, and Intentions Regarding the Vernon Bequest dated November 15, 2012.
  - Guidelines for Disbursement of Vernon Funds dated July 25, 2013.
  - Trinity Cathedral Vestry Resolution of September 26, 2019.
- Type of Fund. This fund is temporarily endowed and temporarily restricted.
- Description and Purpose. This fund was created by the Vestry in March of 2012 with a portion of the bequest from Tom Vernon. Distributions from this fund may be used for Christian Formation as outlined in the governing documents.
- Distribution Authorization. Distributions from this fund must be recommended to the Finance Committee by the Vernon Fund Committee and must be approved by the Vestry.

- **Lectureship Fund**

- Type of Fund. This fund is non-endowed and permanently restricted.
- Description and Purpose. The fund was established prior to 2009. Distributions from this fund may be used only to pay honoraria and other associated expenses, including travel and lodging, to bring speakers to Trinity-sponsored events.
- Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.

## **Mission and Outreach Funds**

- **Vernon Mission and Outreach Fund**

- Governing Documents.
  - Background, Understanding, and Intentions Regarding the Vernon Bequest dated November 15, 2012.
  - Guidelines for Disbursement of Vernon Funds dated July 25, 2013.
  - Trinity Cathedral Vestry Resolution of September 26, 2019.
- Type of Fund. This fund is temporarily endowed and temporarily restricted.
- Description and Purpose. This fund was created by the Vestry in March of 2012 with a portion of the bequest from Tom Vernon. Distributions from this fund may be used for Mission and Outreach as outlined in the governing documents.
- Distribution Authorization. Distributions from this fund must be recommended to the Finance Committee by the Vernon Fund Committee and must be approved by the Vestry.

- **St. Lawrence Place Fund**

- Type of Fund. This fund is non-endowed and permanently restricted.
- Description and Purpose. This fund was created as part of Trinity's Cornerstone Capital Campaign in 2001. Distributions from this fund may be used only for the benefit of programs and facilities at St. Lawrence Place.
- Distribution Authorization. Distributions from this fund must be approved by the Vestry as part of the Cathedral's annual budgeting process.

- **Robert W. Foster Camp Bob Fund**

- Type of Fund. This fund is non-endowed and temporarily restricted.
- Description and Purpose. This fund was created in August of 2010 by gifts from Robert W. Foster. The assets held in this fund may be used only to cover any deficit in the cost of the annual trip to Camp Bob sponsored by the Cathedral.
- Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.

- **Bob Riegel Haiti Fund**

- Type of Fund. This fund is non-endowed and temporarily restricted.
- Description and Purpose. This fund was created by the Vestry in May of 2012 and received gifts in honor of The Reverend Bob Riegel. Distributions from this fund may be used only to support the Cathedral's mission activities in Haiti or for other mission-oriented purposes approved by the Vestry.
- Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.

- **Williamson Fund (10/2024)**
  - Type of Fund. This fund is *temporarily endowed* and *temporarily restricted*.
  - Description and Purpose. This fund was created in 2024 with \$2.6M from the Mamie Williamson Bequest received in 2020. The purpose of this fund is to distribute the annual Spendable Income (historically set as 4%) to the Trinity Mission and Ministry Fund to support the mission and ministries of Trinity Cathedral.
  - Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.

## **Music Funds**

- **Organ Maintenance Endowment Fund**
  - Type of Fund. This fund is permanently endowed and permanently restricted.
  - Description and Purpose. This fund was created as part of the Trinity Forward Campaign in August of 2015. Distributions from this fund may be used for maintenance, repair, or improvement of the Cathedral's organ.
  - Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.
- **Music Endowment Fund**
  - Type of Fund. This fund is permanently endowed and permanently restricted.
  - Description and Purpose. This fund was created by the Vestry in 2019. The purpose of the Music Endowment Fund is to secure permanently the enhancement of the music ministries of Trinity Cathedral by providing a source of revenue for capital expenditures and other expenses of the Cathedral's Music Department.
  - Distribution Authorization. Distributions from this fund must be approved by the Vestry as part of the Cathedral's annual budgeting process.
- **Friends of Music Fund**
  - Type of Fund. This fund is non-endowed and permanently restricted.
  - Description and Purpose. This fund was created by the Vestry in 2019. The purpose of the Friends of Music Fund is to enhance the music ministries of Trinity Cathedral by providing a source of revenue for capital expenditures and other expenses of the Cathedral's Music Department.
  - Distribution Authorization. Requests for distributions from this fund must be submitted to the Finance Committee by the Canon for Music (or, if Trinity is without an incumbent Canon for Music, the Friends of Music Committee), following consultation between the Canon for Music, the Friends of Music Committee, and the Dean (or, if Trinity is without an incumbent Dean, the Senior Warden), and must be approved by the Vestry as part of the Cathedral's annual budgeting process or, if an unbudgeted need arises (i.e., for special projects, events, etc.), by the Finance Committee.

## **Other Funds**

- **Chancel Fund** (10/2024)
  - Type of Fund: This fund is *non-endowed* and *permanently restricted*.
  - Description and Purpose: This fund was created in 2024 with an initial gift from Susie and Pat VanHuss. The purpose of this fund is to enable the clergy of the Cathedral to procure needed furnishings, vestments, and other sacred items (e.g., silver, altar books, lectern Bibles) to beautify and enhance the dignity of Trinity's liturgical life.
  - Distribution Authorization: Requests for distributions from this fund must be submitted to the Finance Committee by the Dean.
- **Trinity Mission and Ministries Fund**
  - Type of Fund. This fund is non-endowed and unrestricted.
  - Description and Purpose. This fund was created by the Vestry in 2020. Any distributions from this fund must be used to support or enhance the mission and ministries of Trinity Cathedral. This Fund receives an annual distribution of 75% of the annual Spendable Amount from the General Endowment Fund. Additional gifts to this fund may be added at any time.
  - Distribution Authorization. Distributions from this fund must be approved by the Vestry.
- **Daughters of the Holy Cross Fund**
  - Type of Fund. This fund is non-endowed and unrestricted.
  - Description and Purpose. This fund was created by the Daughters of the Holy Cross in 2013. Distributions may be made for any purpose requested and approved by the Daughters of the Holy Cross Board.
  - Distribution Authorization. Distributions from this fund must be requested and approved by the Daughters of the Holy Cross Board.
- **Seminarian Fund**
  - Type of Fund. This fund is non-endowed and permanently restricted.
  - Description and Purpose. This fund was created by the Vestry in 2019 and funded by a bequest from Betty Varian Crews Brandon. This fund provides financial support to seminarians preparing to become ministers in an Episcopal Church.
  - Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.
- **Dean's Search Fund**
  - Type of Fund. This fund is non-endowed and temporarily restricted.
  - Description and Purpose. The fund was created by the Vestry in 2020. The fund provides financial support for the search and transition expenses for the new Dean of Trinity Cathedral.
  - Distribution Authorization. Distributions from this fund must be approved by the Finance Committee.

## **Allocation of Foundation Administration Expenses**

To the extent not otherwise provided for, the Foundation's administration expenses shall be charged against all Foundation funds pro-rata based upon fund balances.

## **Distribution Procedures for Endowed Funds**

Distributions from endowed funds are limited to a "Spending Rate" set by the Trinity Foundation Commission each year after consultation with its investment advisors and after considering factors such as those set forth in the South Carolina Uniform Prudent Management of Institutional Funds Act, SC Code Section 34-6-10, et. seq. ("UPMIFA" – a copy of which is attached hereto as Exhibit A). The Spending Rate has historically been 4%.

The Spending Rate is multiplied by the "Average Fund Balance" for the prior twelve calendar quarters to determine the "Spendable Amount" for the fund for the year. If there are fewer than twelve preceding calendar quarters for the fund, then the Spending Rate is multiplied by the Average Fund Balance over all preceding calendar quarters of the fund to determine the Spendable Amount. The Spendable Amount for any calendar year is calculated using the methodology set forth above as of March 31<sup>st</sup> of the prior calendar year.

If the Spendable Amount is not withdrawn from the fund during any year, the Spendable Amount may be carried forward (the "Accumulated Spendable Amount") and withdrawn in later years, however, in calculating the Spendable Amount for any later year any Accumulated Spendable Amount must be subtracted from the Average Fund Balance before applying the Spending Rate.

$$\frac{(\text{Average Fund Balance} - \text{Accumulated Spendable Amount}) \times \text{Spending Rate}}{\text{Spending Rate}} = \text{Current Year Spendable Amount}$$

## **Amendment Procedures**

These Fund Descriptions shall only be amended by the Vestry of the Cathedral which shall give due consideration to all proposals therefore by the Trinity Foundation Commission. This version of the Fund Descriptions was approved by the Vestry of the Cathedral at its meeting on December 17, 2020 and supersedes all prior versions and revisions.