

2.

DATE: NOVEMBER 1ST, 2007

PARISH OF KENTE

ENDOWMENT FUND

ADMINISTRATION BY-LAWS

As Amended 27 Jan 08

BY-LAWS FOR THE PARISH OF KENTE ENDOWMENT FUND

WHEREAS: operating principles and guidelines for disbursements of undesignated bequests, as set out in Schedule "A" to these By-Laws, including the disbursement of such bequests of more than \$5,000 require the approval of the Vestry of the Parish of Kente;

WHEREAS: there has been established by authority of the Vestry of The Parish of Kente at the Annual Vestry Meeting held on the 28th day of January, 2007 a reserve fund to be known as the

PARISH OF KENTE ENDOWMENT FUND

the business and affairs of which are to be administered and managed generally pursuant to by-laws as hereinafter set forth.

WHEREAS: there is entered in the minutes of the Annual Vestry Meeting of the Parish of Kente held on the 28th day of January, 2007 a direction that there be drafted Administration By-Laws for the governance of the Parish of Kente Endowment Fund;

WHEREAS: draft Administration By-Laws shall be presented for approval at a Special Vestry Meeting of the Parish of Kente convened for that purpose or, failing that, at the 2008 Annual Vestry Meeting of the Parish;

WHEREAS: the Vestry of The Parish of Kente recognizes the generous leadership bequest of the estate of Wilma Ward in establishing the Parish of Kente Endowment Fund, and in addition, the

Davern Trust
Gerow Gore Church Gift
Gertrude Dainard Memorial
Hayes Memorial
Rev. W. G. Lonsbury Memorial
Mary Kathleen Niles King Memorial
William P. Niles Memorial
Myrtle Berniece Stringer Memorial
Turvey Family Trust

1. **DEFINITIONS**

The following terms whenever used in these By-Laws shall have the meaning as defined in this Article 1:

1.1 PARISH COUNCIL - A Council of elected and appointed members of the Parish of Kente as authorized by Canon.

1.2 ANNUAL MEETING - A Special Vestry Meeting at which the Committee administering the Parish of Kente Endowment Fund shall make a full report of their stewardship of the Parish of Kente Endowment Fund.

1.3 ANNUAL VESTRY MEETING - the annual meeting of the Vestry of the Parish of Kente.

1.4 CANON - one of the body of laws, rules and policies as adopted by The Incorporated Synod of the Diocese of Ontario of the Anglican Church of Canada.

1.5 CORPORATION - The Wardens of the Parish of Kente pursuant to Canon 41 of the Diocese of Ontario.

1.6 FISCAL YEAR - a twelve month period ending the 31st day of December in each year.

1.7 THE PARISH OF KENTE - located in The County of Prince Edward, Ontario being a congregation of the Anglican Church of Canada in the Diocese of Ontario.

1.8 INCUMBENT - The clergy person appointed to the Parish by the Bishop.

1.9 MEMBER OF VESTRY - shall have the same meaning as defined from time to time by Canon.

1.10 SPECIAL VESTRY MEETING - a meeting of the Vestry of the Parish of Kente as called and authorized by Canon.

1.11 FUND - The Parish of Kente Endowment Fund.

1.12 COMMITTEE - the Committee that administers the Parish of Kente Endowment Fund.

1.13 COMMITTEE MEMBERS - the members of the Committee, two of whom shall be Wardens, two of whom shall be members of the Vestry but not Wardens, and the Treasurer of the Parish. In addition, the Incumbent of the Parish of Kente shall be an ex-officio non-voting Committee member.

1.14 VESTRY - the members of the Parish of Kente as defined by Canon.

1.15 WARDENS - the Wardens and Deputy Wardens of the Parish of Kente.

2. **PURPOSE**

2.1 To create a reserve fund for bequests designated to the Endowment Fund and for a portion of the undesignated bequests received by the Parish of Kente as determined to be held in such fund pursuant to the guidelines, which will provide a reserve fund to be invested, and the income and capital of which will belong to, and be available for, the charitable purposes of the Parish of Kente, and in particular for undertakings that may not otherwise be provided for out of the operating funds of the Parish of Kente including, but not limited to:

- (a) supporting any worthy endeavour, work, or project at the parochial, diocesan, national or international level;
- (b) ensuring the appropriate upkeep of the lands and premises owned or maintained by the Parish of Kente;
- (c) supporting an annual bursary or bursaries, where need is an issue, to be awarded to a young person or persons of the Parish of Kente in furtherance of or in recognition of any education, special need, talent, endeavour, work or project, camping experience, in an amount and in accordance with the criteria as may be established from time to time by the Committee; and
- (d) serving as a reserve to provide funds to the Parish of Kente to meet unplanned cash flow shortfalls and emergencies at conditions as advised by any or all of the Incumbent, Wardens and Parish Council and as approved by Vestry at the Annual Vestry Meeting or at a Special Vestry Meeting called for that purpose. It is not intended that the fund be used to balance the budget in the preparation of the annual budget of the Parish of Kente or to support continuing operating deficits of the Parish of Kente.

3. **NATURE AND COMPOSITION OF THE PARISH OF KENTE ENDOWMENT FUND**

It is not intended to establish a trust with respect to the assets in the Parish of Kente Endowment Fund. All of the assets of the Fund and all income derived therefrom and accretions thereto shall at all times be owned by and belong to the Parish of Kente. However, it is intended that the assets of the Parish of Kente Endowment Fund be set

aside as a reserve to be administered for the particular purposes as set out in the guidelines (as amended from time to time) and in the manner set out in these By-Laws (as amended from time to time).

The initial assets of the Parish of Kente Endowment Fund are as referred to and as set out in Schedule "B" to these By-Laws. The Parish of Kente Endowment Fund may be added to at any time and from time to time by the transfer of further cash or other property to the Parish of Kente Endowment Fund. In particular, it is anticipated that a portion of future undesignated bequests to the Parish of Kente, as determined to be held in a fund pursuant to the guidelines, shall be added to the Parish of Kente Endowment Fund.

4. APPOINTMENT, REMOVAL AND REPLACEMENT OF COMMITTEE MEMBERS

4.1 The Parish Of Kente Endowment Fund shall be administered by a committee of five members, two of whom shall be Wardens of the Parish of Kente, two of whom shall be members of Vestry but not Wardens, and the Treasurer of the Parish - elected from time to time at the Annual Vestry Meeting. In addition, the Incumbent (priest-in-charge) of the Parish of Kente shall be an ex-officio non-voting Committee member.

4.2 If a Warden Committee Member ceases to be a Warden of the Parish of Kente, he or she shall thereupon automatically cease to be a Committee Member. If such individual is replaced as a Warden, such replacement, or other available Warden at the time, shall be automatically appointed as a substitute Committee Member.

4.3 If a Vestry Committee Member ceases to be a member of Vestry, he or she shall thereupon automatically cease to be a Committee Member. Vacancies occurring between Annual Meetings shall be filled by an appointment made by Parish Council at the first meeting of the Parish Council following the occurrence of the vacancy.

5. ADMINISTRATIVE DUTIES AND RESPONSIBILITIES OF THE COMMITTEE AND COMMITTEE MEMBERS

5.1 It is not intended that the Committee Members shall act as trustees (because the Parish of Kente Endowment Fund is not a trust, only a reserve fund). However, it is intended that the Committee Members shall have signing authority with respect to the reserve fund known as the Parish of Kente Endowment Fund, which authority is hereby delegated by the Parish of Kente to the Committee Members.

5.2 The Committee Members shall appoint a Chair, and a Secretary from among

their number. The Treasurer of the Parish of Kente shall serve as Treasurer of the Committee and of the Fund.

5.3 A majority of Committee Members shall constitute a quorum of a duly called meeting of the Committee.

5.4 The Committee shall meet at least half yearly.

5.5 No decision of the Committee shall be acted upon unless at least a majority of the Committee Members concur. The Chairperson shall only vote on issues for the purpose of breaking a tie.

5.6 All cheque requisitions, deeds, documents, and instruments of all descriptions require the signature of a majority of the Committee Members.

5.7 The Committee shall submit to the Parish Council a half yearly report of all transactions involving the Parish of Kente Endowment Fund assets together with minutes of all meetings held during the half.

5.8 The Treasurer of the Parish of Kente Endowment Fund shall be responsible for the safe-keeping of all investments or evidence of investments.

5.9 The Secretary of the Parish of Kente Endowment Fund shall be responsible for maintaining a complete and proper minute book and the minutes of each meeting shall be signed by both the Chairperson and the Secretary.

5.10 Committee Members shall not dispose of any real property forming part of the Parish of Kente Endowment Fund without the approval of Vestry and in accordance with any Canon by which the Parish of Kente Endowment Fund is governed.

5.11 The books of the Parish of Kente Endowment Fund shall be available for inspection by any member of Vestry within 21 days of receipt of a written request.

6. INVESTMENT POWERS

6.1 In addition to all other powers by these By-Laws or law conferred upon Committee Members, they shall have the powers, authority and discretion to invest and reinvest any and all cash, securities and/or other property belonging to or forming part of the Parish of Kente Endowment Fund in their hands from time to time without limitation and whether or not there is a liability attaching to any such investments, and in making such investments the Committee Members shall not be required to diversify; and without limiting the generality of the foregoing, the Parish of Kente hereby authorizes the Committee Members to:

- (a) invest all or part of the Parish of Kente Endowment Fund in the Consolidated Investment Fund of the Incorporated Synod of the Diocese of Ontario;
- (b) invest all or part of the Parish of Kente Endowment Fund in and hold real property;
- (c) invest all or part of the Parish of Kente Endowment Fund in fixed income investments such as term deposits, guaranteed investment certificates and bonds issued by either the Government of Canada or any Province of Canada.

7. INCOME AND CAPITAL AVAILABLE FOR DISTRIBUTION

- 7.1 The net income derived from the Parish of Kente Endowment Fund at the end of each year shall be determined by the Committee
- 7.2 The net income to be distributed pursuant to sub-section 7.3 following shall be available for such charitable purposes of the Parish of Kente as are determined by the Committee and Incumbent in consultation with Parish Council. Any income not distributed during the calendar year shall be contributed to capital.
- 7.3 The Endowment Fund net income available for distribution at the end of any fiscal year is to be determined in the following manner;
 - 7.3.1 When the value of the net cash assets of the Fund is less than \$100,000. no income is available for distribution,
 - 7.3.2 When the value of the net cash assets of the Fund is \$100,000. or more, up to 50% of the annual net income is available for distribution,
 - 7.3.3 When the value of the net cash assets of the Fund is \$150,000. or more, up to 60% of the annual net income is available for distribution,
 - 7.3.4 When the value of the net cash assets of the Fund is \$200,000. or more, up to 70% of the annual net income is available for distribution,
 - 7.3.5 When the value of the net cash assets of the Fund is \$250,000. or more, up to 80% of the annual net income is available for distribution,
 - 7.3.6 When the value of the net cash assets of the Fund is \$300,000. or more, up to 90% of the annual net income is available for distribution,
 - 7.3.7 When the value of the net cash assets of the Fund is \$300,000. or more and if

new capital is deposited in the Fund during the fiscal year, an amount equal to the new capital may be disbursed out of the net income in excess of 90% of the annual net income; provided that there shall not be disbursed in any fiscal year an amount in excess of 100% of the net income,

7.4 In addition, the Committee may at any time or times pay any part of the capital of the Parish of Kente Endowment Fund for such charitable purposes of the Parish of Kente as the Committee may be advised by any or all of the Incumbent, Wardens and Parish Council and as approved by Vestry at the Annual Vestry Meeting or a Special Vestry Meeting called for that purpose; provided however, that the capital of the Parish of Kente Endowment Fund shall be maintained at no less than the Initial Asset value of \$100,000.00.

7.5 Specifically, any such request to the Committee as per 7.4 that would reduce the capital of the Parish of Kente Endowment Fund shall:

- (a) indicate the amount of the monies requested;
- (b) indicate the proposed timing for the release of the monies; and
- (c) specify how the monies will benefit the Parish of Kente and provide appropriate supporting documentation for the request.

8. REPORTING BY COMMITTEE - ANNUAL MEETING

8.1 The Committee members shall convene an Annual Meeting of the Committee at the Annual Vestry Meeting.

8.2 Notice of the Annual Meeting shall be made together with a notice of the Annual Vestry Meeting and be in the form and manner required by Canon for Annual Vestry Meetings.

8.3 Vestry shall appoint an auditor at the Annual Meeting for the ensuing year.

8.4 At each Annual Meeting the Treasurer shall present an audited financial statement as of the fiscal year end of the Parish of Kente setting forth:

- (a) The Parish of Kente Endowment Fund's assets and liabilities;
- (b) The Committee's Parish of Kente Endowment Fund transactions for the fiscal year, and
- (c) The Parish of Kente Endowment Fund's net income and any capital distributed pursuant to Article 7 hereto.

9. AMENDMENT AND TERMINATION

9.1 Subject to paragraph 9.3 hereof, Vestry, at an Annual Vestry Meeting or at a Special Vestry Meeting called for that purpose, may amend any of the terms of these By-Laws, or may determine that the administration of the Parish of Kente Endowment Fund shall be amended or terminated.

9.2 Without limiting the generality of paragraph 9.1, in the event that proceedings are commenced to disestablish The Parish of Kente, the Parish of Kente Endowment Fund may be:

- (a) transferred to the Incorporated Synod of the diocese in which the said parish is situated of the Anglican Church of Canada;
- (b) administered by the committee designated by the Executive Committee of the said diocese; and
- (c) maintained for the purposes set forth herein:

and in such event the name of the Parish of Kente Endowment Fund may be changed or left unchanged.

9.3 Notwithstanding anything herein contained, no amendment to these By-Laws or any amendment to or termination of the Parish of Kente Endowment Fund shall divert any part of the income or capital of the Parish of Kente Endowment Fund to purposes other than charitable purposes of the Anglican Church of Canada and of the Parish of Kente.

10. LAW OF ONTARIO

10.1 The Parish of Kente Endowment Fund and the By-Laws shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

PASSED the 27 day of January 2008 at the Annual Vestry Meeting.

WITNESSED the hands of the Corporation, this 27 day of January 2008

A handwritten signature in cursive script, appearing to read "A. Wilson", written in black ink on a light background.

Rev Andrew Wilson, INCUMBENT

Iris Phillips, CHURCHWARDEN

Mary Ellen Closson, CHURCHWARDEN

SCHEDULE "A"
OPERATING PRINCIPLES AND GUIDELINES FOR
UNDESIGNATED BEQUESTS

Operating Principles

In considering the disbursement of all undesignated bequests the following operating principles will be followed:

Undesignated bequests may be used to support new initiatives in ministry, support current ministry and outreach in the community, enhance the Parish of Kente Endowment Fund, share in capital improvements or repairs of assets and property of the Parish of Kente, or meet operating needs of the Parish of Kente as deemed appropriate by the Incumbent and the Wardens, in consultation with the Parish Council.

Undesignated bequests should be used as efficiently as possible in light of the objectives and needs of the Parish at the time of the bequest. Due consideration always should be given to the responsibility of the Parish to meet its ongoing operating expenses and being able to sustain its regular ministry independent of bequests.

Bequests should support the mission of the Parish of Kente.

The use of bequest monies should enhance the ongoing mission of the Parish as needed and defined at the time by the people of the Parish in light of the mission of the Diocese of Ontario.

All bequests should be carefully recorded and an annual report made to Vestry of their receipt and use.

This will ensure proper accountability for the bequests and help raise the profile of bequests to the whole Parish.

All bequests should be recognized in an appropriate manner.

The memorial books in the Parish should keep a record of bequests received. A thank you letter shall be sent to the executors and/or family members. Other kinds of recognition may be chosen on an individual basis depending on the nature of the bequest.

Disbursement of bequests should keep in mind the special interests of the donor where these are known.

Where possible the bequest should reflect the commitments of the donor. Consultation with family members may be helpful.

A portion of all bequests should be preserved to provide income for the

future.

The Endowment Fund provides the vehicle for capital preservation in perpetuity.

Bequest investments should be professionally managed.

In recognition of the need to have appropriate expertise handle funds and the uncertainty of having volunteer expertise within the Parish, it is recommended that we consider professional management, such as the Consolidated Investment Trust Fund of the Diocese of Ontario. Funds can be accessed at any time. Interest/Dividends are forwarded quarterly.

Guidelines for Undesignated Gifts:

1. For bequests of \$5,000.00 or less: disbursement should be at the discretion of the Wardens and Incumbent in consultation with Parish Council.
2. For bequests of more than \$5,000.00:
 - (i) but not exceeding \$49,999.00: 50% to Parish of Kente Endowment Fund and 50% to be distributed at the discretion of the Wardens and Incumbent in consultation with the Parish Council.
 - (ii) \$50,000.00 and up: 75% to Parish of Kente Endowment Fund and the balance (not exceeding \$40,000.00) to be disbursed at the discretion of the Wardens and Incumbent in consultation with the Parish Council. In the event 25% of such bequest exceeds \$40,000.00 all excess shall be directed into the Parish of Kente Endowment Fund.

SCHEDULE "B"
ASSETS AND LIABILITIES OF THE PARISH OF KENTE ENDOWMENT FUND

INITIAL ASSET

The undesignated bequest of 74,960.15 from the estate of Wilma Ward the whole of which shall, contrary to the guidelines for the disbursement of undesignated bequests as outlined in Schedule "A", be directed to the Fund as an initializing gift; and in addition,

gifts in the amount of \$21,452.00 from the estates, funds and families of Davern, Gerow Gore, Dainard, Hayes, Lonsbury, King, Niles, Stringer, Turvey; and in addition,

operating funds in the amount of \$3,587.85 from the accounts of the Parish of Kente.

LIABILITIES

NET ASSETS

CERTIFICATION

WE HEREBY CERTIFY that to the best of our knowledge and belief the Parish of Kente Endowment Fund By-Laws which are contained herein:

1. Have been drawn in accordance with the directions, as understood, and the authorization of the Vestry of the Parish of Kente as recorded in the minutes of the Annual Vestry Meeting held on the 25th day of January, 2007.
5. Were approved by the Parish Council of the Parish of Kente at its regular meeting held on the 22nd day of November, 2007

WITNESS the hands of the Corporation this 27 day of January, 2008

The Rev. Andrew Wilson, INCUMBENT

Iris Phillips, CHURCHWARDEN

Mary Ellen Closson, CHURCHWARDEN