

RIDEAU PARK FOUNDATION FOR MINISTRY

Guidelines for Operation

Preamble

The special resolution establishing the Rideau Park Foundation for Ministry required that “...specific guidelines governing the operation of the Foundation be prepared by the *Council* and approved at the next annual meeting of the congregation before any funds are disbursed.”

These guidelines are therefore intended to provide some direction to those committees which have specific responsibilities for the Foundation’s operation. They are intended to facilitate its operation by clarifying and expanding on the enabling resolution.

The guidelines are organized under the following headings:

1. Introduction
2. Promotion
3. Investment
4. Special Condition
5. Receipts
6. Disbursements
7. Revenue Canada Requirements
8. Termination

Revised and approved by Council, November, 2012

Rideau Park Foundation for Ministry

1. INTRODUCTION

- 1.1 The Rideau Park Foundation for Ministry was established by the congregation at its annual meeting on February 2nd, 1994. Establishment of the Foundation was consistent with a recommendation¹ of the Rideau Park Program Review Committee which issued its final report in January 1994.
- 1.2 The Foundation is intended to be a permanent source of supplementary funding for special needs at Rideau Park United Church. It is not intended that Foundation funds be budgeted to cover regular and ongoing operational requirements of the church.

2. PROMOTION

- 2.1 The *Trustees* are responsible for promotion of the Foundation. They will, inter alia, promote the donation of unrestricted gifts to the Foundation.
- 2.2 The Church Administrator will record memorial gifts to the Foundation and acknowledge the donation with a thank you note to the donor.

¹ *Final Report, Section VI. Specific Recommendations Trustees 2.c. “actively encourage gifts, both inter vivos and posthumous, to a trust or foundation dedicated to the overall needs of the church. The management of the fund would be the responsibility of the Trustees, with the income going to the general fund.”*

3. INVESTMENT

- 3.1 The *Trustees* are the custodians of the Foundation and are responsible for investing and administering Foundation funds. This includes the safekeeping and maintenance of all required financial records.
- 3.2 The investment principles are maximization of income and security of principal. These principles are to be exercised consistent with prudent practice and the Foundation's conditions of operation.
- 3.3 Consideration should be given to a variety of investment opportunities such as mutual funds and other vehicles, including equities. Investments chosen by the *Trustees* will comply with all United Church and any other regulatory/legal requirements.
- 3.4 It may be reasonable to invest the \$100,000 base portion of the Foundation in vehicles with less liquidity: for example, a longer-term GIC. These funds will not be required for disbursement (see special condition that follows).
- 3.5 At each annual meeting of the congregation, the *Trustees* will provide financial statements for the previous year.

4. SPECIAL CONDITION

- 4.1 As a condition of Presbytery's approval to transfer the Manse Fund to the Foundation, the *Trustees* must ensure that funds up to the value of the Manse Fund will "... always be available for ministers' housing."²

² *Extract from minutes of the May 10, 1994 meeting of the Ottawa Presbytery (page 6082). This action was confirmed in a July 4th, 1994 letter from Mrs. Sara W. Surjadinata, Executive Secretary of the Ottawa Presbytery, to the Chair of the Official Board (subsequently replaced as Council), Rideau Park United Church.*

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- 4.2 The intent of this condition is to ensure that funds, at least to the value of the Manse Fund, would be made available for housing related purposes for Rideau Park clergy when and if needed.
- 4.3 The value of the Manse Fund at the time of transfer (May 10, 1994) was \$42,000. This amount will be protected as part of the \$100,000 base of the Foundation. Should there ever be a housing-related need when sufficient funds over and above the \$100,000 are not available for this purpose, the *Council* can advance housing funds in accordance with the guidelines for disbursement, subject to later ratification. This ratification would likely require an amendment to the enabling resolution.
- 4.4 Note that amendments to the enabling resolution require a two-thirds vote of the members present and voting at an annual meeting of the congregation for which notice of intent to amend the resolution has been given, or at a special meeting called for the purpose of amending the resolution.

5. RECEIPTS

- 5.1 In general, all unrestricted donations will be directed to the Foundation Fund and all unrestricted bequests will be directed to the Reserve Fund.
- 5.2 The *Trustees* will promote the donation of unrestricted gifts directed to the Foundation. Unrestricted gifts are those with no conditions attached to the use of the funds.
- 5.3 The Foundation will increase in value until the principal (unrestricted gifts) and income earned reach \$100,000. After that, income earned and one half of additional unrestricted gifts will be treated as proceeds available for disbursement.
- 5.4 Any gifts that specify the use to which the gift is to be put will be known as restricted gifts and used as designated. Efforts should be made to expend designated gifts within one year or as soon as possible.

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- 5.5 The *Council* will carefully consider the nature, extent and impact of restrictions attached to such gifts. The *Council* might decide against accepting a designated gift if, for example, it is specified for a cause or organization that the church does not support, or if the terms and conditions around the gift impose unreasonable demands. The acceptance of a restricted gift must be approved by a two-thirds majority of *Council* members present.
- 5.6 The *Council* will notify the *Trustees* when a restricted or designated gift to the Foundation has been accepted.

6. DISBURSEMENTS

- 6.1 Decisions on the use and disbursements of Foundation funds will be taken by the *Council* of Rideau Park United Church.
- 6.2 Written proposals for the expenditure of Foundation funds can be brought to the *Council* by any member of Rideau Park United Church.
- 6.3 The *Council* will consider any proposals received at its next meeting or at a special meeting if deemed necessary and called by the chair of the *Council*. Members must be given reasonable notice of intent to discuss a spending proposal.
- 6.4 Expenditures from the Foundation must be approved by a two-thirds majority of *Council* members present.
- 6.5 Disbursements from the Foundation cannot be made until the value of unrestricted gifts – the Manse Fund transfer is not restricted – and income earned reaches \$100,000. After that, income earned and one half of additional unrestricted gifts will be treated as proceeds available for disbursement.
- 6.6 The value of the Foundation will continue to increase over and above the \$100,000 base by at least one half of additional unrestricted gifts. The enabling resolution did not set a

ceiling value for the Foundation.

6.7 The *Council* is free to authorize any expenditure from the Foundation the purpose of which is "... to enhance and further the mission and ministries of Rideau Park United Church, locally, nationally or globally."³

6.8 It is intended that Foundation funds should be used as a source of supplementary funding for special needs such as ministers' housing, property renewal, outreach projects and new programs. It is not intended that Foundation funds be budgeted for regular and ongoing operational requirements of the church.

7. REVENUE CANADA REQUIREMENTS

7.1 The Foundation, as established, has no special status under the Income Tax Act. It is not a public foundation or a private foundation as defined under the Act.

8. TERMINATION

8.1 The Foundation is intended to be a permanent source of supplementary funding for Rideau Park United Church.

8.2 In the event that Rideau Park United Church ceases to exist, Conference will determine, in consultation with Presbytery, the ways in which the Foundation's assets will be used to further the work of the United Church.

³ Extract from clause 6 of the special resolution establishing the Rideau Park Foundation for Ministry. The resolution was approved by the congregation of Rideau Park United Church at its annual meeting on February 2nd, 1994.