



BOARD RESOLUTION UNRESTRICTED CHARITABLE BEQUEST FUNDS POLICY

At the Thursday, July 27, 2023, meeting of Board of Directors of the Society of St. Vincent De Paul Archdiocesan Council of St. Louis the following recommendation was proposed and approved.

WHEREAS, At the Thursday June 29, 2023, Board Designated Funds (BDF) Task Force meeting, the Task Force proposed changes to the Bequest Funds Policy, and

WHEREAS, At the Wednesday July 19, 2023, Finance Committee Meeting the Committee discussed and endorsed changes to the Bequest Funds Policy, and

THEREFORE, BE IT RESOLVED, to revise the Bequest Funds Policy effective August 1, 2023, as follows:

Policy Statement:

The intent of this policy is to:

1. Acknowledge that we will periodically receive planned giving bequests.
2. Prescribe the treatment of bequest revenue to ensure the effectiveness of the Council.
3. Provide clarity with regard to budgeting for bequests.
4. Adequately plan for the receipt of unknown contributions which will increase our ability to serve clients.
5. Budgeting for bequest revenue is problematic because of what we do not know:
 - We do not know how many individuals have already made a bequest commitment but have not told us.
 - We do not know how many people are willing to make a bequest commitment.
 - We do not know how many people, who previously made a bequest commitment, have changed their will to remove SVdP.
 - We do not know when people who have made a bequest commitment will pass away.
 - Some donors, who are willing to make a bequest commitment, will not tell us the amount of that commitment. If the commitment is a percentage of the donor's estate, we will not know the bequest amount until the estate is settled.
6. Unused funds shall remain in the specified Board Designated Fund for use in the following years.

Reason for Policy:

1. To provide a consistent, methodical approach to the treatment of charitable bequest funds.
2. To eliminate what might be perceived as a negative issue inherent with the periodic receipt of large sums of money as related to
 - a. Operating Reserve Policy

- b. Hoarding Funds
- c. "Turning On and Turning Off" Vincentian Service Programs
- 3. To increase our ability to serve Neighbors and Vincentians.

Allocation of Unrestricted Charitable Bequest Funds:

1. 25% of Unrestricted Charitable Bequest(s) as a Board Designated Fund for Vincentian Services. Funds shall be requested through the budgeting process and may be utilized to offset expenses for Council Programs, approved special projects to serve Neighbors, and service to Vincentians. Additional funds may be requested through Board approval.
2. 25% of Unrestricted Charitable Bequest(s) as a Board Designated Fund for District special projects. A special project is a one-of-a-kind requirement, such as the purchase of food pantry equipment or a vehicle, or a National Assembly scholarship. District Presidents requesting funds must document the need for funds, the cost of the project, and the total funds within the District based on the last quarter of Conference Activity Reports. Requests will be reviewed and approved at quarterly meetings of the District Presidents. Urgent requests may be requested and approved electronically if submitted to the Council President and approved by the majority of District Presidents via email.
3. 25% of Unrestricted Charitable Bequest(s) as a Board Designated Fund for Strategic Plan Initiatives. Each year, funds from the Board Designated Fund for Strategic Plan Initiatives may be used to support Strategic Plan Initiatives which have been specifically and individually approved by the Board.
4. 20% of Unrestricted Charitable Bequest(s) as a Board Designated Fund for Operating Reserves compliant with the Operating Reserve Fund Policy last updated in 2016.
5. 5% of Unrestricted Charitable Bequest(s) as a Board Designated Fund for Disaster Relief with a maximum balance of \$250,000. Once the maximum is reached, any funds which would have been designated to Disaster Relief will be redirected equally to the four remaining Board Designated Funds. The Disaster Committee will utilize the funds as outlined in the Disaster Committee Charter.

Entities Affected by This Policy:

Board members, Conferences, District Councils, and SVdP St. Louis Council Office employees.

Who Should Read This Policy:

Board members and all SVdP St. Louis Council Office employees.

Related Resources:

Reserve Fund Policy

Definitions:

Charitable Bequest: A gift of Personal Property, such as money, stock, bonds, or jewelry, owned by a decedent at the time of death, which is directed by the provisions of the decedent's will to a specific charity. Charitable bequests reduce the estate taxes that might be owed on the estate left by a decedent.

Board Designated Fund: Unrestricted bequest funds that are allocated for a specific use or purpose as determined by the SVdP Board of Directors. Refer to the five allocation categories listed above.

Responsibilities:

The use of Board Designated Funds as directed in this Bequest Policy should be tracked and reported by the appropriate entity, and reporting should be compliant with SVdP Manual and St. Louis Council Guidelines. The Board or the Director of Finance can require additional reporting as deemed appropriate.

(a) Board Designated Fund for Vincentian Services, Disasters, Strategic Plan Initiatives, and Operating Reserves will be reported by the Director of Finance in the usual and customary manner;

(b) Board Designated Fund for District special projects will be identified and reported monthly on District Activity Reports or monthly submission of their check register.

The Director of Finance will separately identify Bequest Revenue in the SVdP Statement of Activities (Profit and Loss).

Principles:

Ultimately, the SVdP Board of Directors has the right of final approval over all Revenue and Expenses. This policy provides the Board with a means of allocating and designating funding for Vincentian Services, Disaster Relief, Strategic Initiatives, District Special Projects, and Operating Reserves without having to approve each line item expense. This will better ensure service to the poor, support for Vincentians, and financial stability for our entire Council.

 Board Secretary

Date July 27, 2023