Endowment Stewardship & Mutual Responsibility

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Resolved, that the 231st Convention of the Episcopal Church in Connecticut recognize that all endowments held by or for the benefit of a Parish or Worshiping Community, like real property, are held in trust for The Episcopal Church and for the Episcopal Diocese of Connecticut; and

Be it further resolved, that this Convention call upon local vestries to be trustees and good stewards of endowments entrusted to them for the benefit of the wider Church; and

Be it further resolved, that this Convention, in the interests of transparency, mutual accountability, reconciliation, and our collective desire to participate together in God’s mission, charge the Executive Council to work with Parishes and Worshiping Communities whose cumulative endowment draws to support operations over a consecutive three year period exceeds 25% (twenty-five percent) of the average net asset value of its endowment during the withdrawal period; and

Be it further resolved, that the 231st Convention of the Episcopal Church in Connecticut amend Canon I.11.B to the following:

B) If a Parish fails to contribute 10% of its total operating revenues to the Diocesan Convention’s Budget for two consecutive fiscal years, the Bishop may declare it an “aided parish,” exercising full authority over its day-to-day administrative, financial, and spiritual life. If a Parish’s or Worshiping Community’s annual draw from their endowment(s) exceeds 10% of the net asset value of the endowment(s) for three consecutive fiscal years, beginning in Fiscal Year 2015 cumulative draw on its endowment(s) over a three-year period exceeds 25% (twenty-five percent) of the average net asset value of its endowment(s) during the withdrawal period, beginning in Fiscal Year 2016, excepting parishes set to call a new rector in fiscal year 2016, for which the start date would be 2017, the Bishop may (i) require that the Parish or Worshiping Community place its entire endowment in a fund to be managed for its sole benefit in the Donations & Bequests for Church Purposes investment program, from which withdrawals would be limited to a sustainable disbursement rate, absent approval of the Standing Committee and the Bishop, and (ii) declare it the Parish or Worshiping Community an “aided parish,” exercising full authority over its day-to-day administrative, financial, and spiritual life.
Explanation:
A similar resolution was passed in 2014 at the 230th Diocesan Convention to provide accountability in the way that parishes and worshiping communities draw on their endowment. This resolution updates the previous resolution, correcting some of its problems:

1. Prevents parishes from avoiding penalty under the old definition of “10% for three consecutive years” by carefully changing their draw
2. Lowers the definition of a reasonable draw to a more responsible 8% per year (a cumulative draw of 25% in a three year period)
3. Allows ECCT to respond quickly to parishes who are rapidly spending down their endowments instead of waiting for the end of a three year period

How does this resolution further God's mission of restoration and reconciliation with all of creation:
This resolution will strengthen our common bond and enable us to increase the ways in which we collectively participate in God’s mission of restoration and reconciliation. It will provide transparency and model good stewardship of our common resources. It will help provide resources to parishes to maintain good stewardship practices.

Statement of Requirements to Implement:
This process would be assimilated into the ongoing Mutual Responsibility and Interdependence (MRI) process passed in 2011. This resolution requires that all Parishes and worship communities, beginning in Fiscal Year 2016, will not exceed a cumulative endowment draw to support operations over a consecutive three year period of more than 25% (twenty-five percent) of the average net asset value of its endowment during the withdrawal period.