

## **Memo to GWUC - Finance Committee and Church Council.**

### **The Endowment Fund – Now and The Future**

#### **Its role at GWUC- Recommendations as to the Way Forward.**

For a period, Finance committee has been wrestling with and considering the current and prospective role and arrangements of the Endowment Fund. The Endowment Fund was established with the intention of creating a vehicle into which Congregation members could contribute Donations and Bequests from Wills which would see the Capital retained in perpetuity and invested on a perpetual basis and the interest available for Church Council to make decisions as to appropriate projects.

As a committee, but driven by the Treasurer, we have come to question the ongoing relevance and practical efficacy of the Endowment Fund given that we have received only a small number of Bequests from Estates via Wills etc.

However, we are also wary to recommend actions because there are good grounds to argue that whilst it hasn't been promoted or marketed, we do not know and will not know who has made provision for funds to be directed to GWUC or Synod through Wills over subsequent years etc.

We have also experienced challenges with Wills and Bequests where there are specific actions stipulated (e.g., Marriott and now the Falconer Bequest) or in the case where people have directed funds though the Bequest framework defined by Synod (e.g., Gwenda Henry) where this has caused administrative challenges.

GWUC is a wealthy and generous congregation, and we continue to receive donations for a variety of items, perhaps last year's Welfare Appeal following the cancellation of the Fete where \$10,000 approx. was donated by Congregation members, to support our Welfare Program, exemplifies our situation. An amazing demonstration of both commitment, support, and compassion.

In addition, we have many people donating clothing and food parcels.

The Endowment Fund as planned and executed by Roger Vass and his Committee was intended to provide the vehicle for the Congregation to continue their donating by making generous Bequests through their wills and Estates for the long-term benefit for the congregation and in terms of providing financial security and stability.

competing effectively against this opposition which is aggressively marketing themselves and seeking Bequests and gifts

Whilst the need to promote is well understood, it has not occurred and there has been a reluctance and reticence to discuss and engage as to this fund. Examples of comments made in relation to promotion and marketing are as follows:

- Don't want to be seen to be promoting or selling to people on their Death bed
- It isn't us, as Christians, to be selling
- We shouldn't talk as to Finances, but others do.
- Isn't that for the Ministers to do?
- There are enough people and Charities seeking Donations and Synod does something

- Don't want to hassle people when they are ill.

There are a plethora of reasons and excuses, some valid others not, as to why we haven't and cannot engage. Whilst that may seem correct and may be right and with an ageing demographic perhaps there is no realistic and appropriate time to talk and discuss what can be a touchy and very personal subject.

Therefore, we have (by our inaction) failed to tap into a significant group of people who over prior and subsequent years will be planning and deciding as to the allocation of funds under their Wills and Estates both to family members and other groups such as Clubs, Charities and other Not for Profits all seeking donations and funds from Estates, Bequest and Gifts.

We suggest that we have an obligation to our Congregation to provide both materials and advice (not in-terms of financial advice under the law) but in terms of what we have, that may allow them to give funds or provide for funds to an organisation, their Church, to which they have been passionately committed over many years. In many cases their sporting clubs, football clubs etc all have well documented policies and products available to allow them to add these to their Wills and Estates.

Significant changes initiated by Synod have also reduced the ability of GWUC to control and manage any items of Bequests received where there are tied actions. These are now Centralised within Synod Property Secretariat who have been entrusted with the handling of donations and Bequests apart from those received without any strings. We maintain a sound relationship with Karen Bell as to these issues and actions. However, going forward we will no longer have access directly to tied items in any Bequest. This significantly impacts the former role of the Endowment fund.

As a consequence of the detailed review by Finance Committee we recommend the following actions to Church Council and The Congregation Meeting in November 2022.

### **Recommended Actions.**

- 1 The Functions and Framework of our Current Endowment fund have been made largely obsolete through changes implemented through Synod as to the receipt and use of Bequests and gifts. All Bequests and gifts with defined tied actions and processes now being centralised through Synod Secretariat.
- 2 Authorise Finance Committee to initiate actions to close the existing Endowment fund and develop processes for a new Endowment fund to enable receipt by GWUC of untied bequests. This Fund to be maintained within the GWUC
- 3 Agree to recommendations to close and terminate the existing Endowment Fund framework. Terminate the associated rules where Capital received is/ was assumed as Perpetual Capital and for Interest to be available for projects progressed through Church Council and approved by the Congregation.
- 4 Existing Endowment fund will be closed by approval from the congregation with funds to be transferred in total being Capital and Accumulated interest to a Reserve within the Equity Section of GWUC Balance Sheet from the date of the Congregation Meeting but not later than 31 December 2022.

- 5 Confirm the development of a revitalised Endowment fund and associated rules, following the decision to cancel and close the existing fund, because its functionality / definitions have had been compromised by the Changes of Synod.
- 6 Complete a formal letter to the existing Trustees thanking them for their involvement. This to be signed off by Chairperson of Church Council and Treasurer. There will be no Trustees under the new Fund because it will operate within the controls of GWUC Balance Sheet and the authority of Church Council and Finance Committee
- 7 Develop new rules for use of the Existing funds transferred from the independent Endowment fund to the Endowment fund reserve within GWUC Balance Sheet.
- 8 Continue to complete independent Audit of the existing Endowment fund through our auditors Yates and Partners for the Financial Year 2022.
- 9 From 2023 year the Endowment fund will sit within our GWUC Balance Sheet and will be Audited as part of GWUC and not as a separate entity.
- 10 Complete new definition and processes for a new Endowment fund
- 11 Undertake the development of a new detailed marketing profile for Bequests (untied) for presentation to GWUC congregation in early 2023.

Following approval to these changes we will implement the required actions and advance ne processes to Church Council after we have finalised a revitalised Marketing programme for the new simplified Endowment fund at GWUC.

Ken M Coutts

GWUC Treasurer.