

Future Hope Fund Task Force Recommendation (*Consistory Version 10.29.24*)

The Future Hope Fund (*'FHF'*) Task Force (Scott Warmus, Fay Wingrove, Bill Te Winkle) recommends the following actions be adopted as a Motion.

PURPOSE: The Purpose of the FHF is to ensure that Hope Church uses the funds to support the 2024 Pastoral Transition and to support the pastoral staffing model in 2025 and beyond.

1. All former iterations of the Hope Reformed Church Endowment and the Future Hope Fund are terminated as of the adoption of this plan by a three-fourths vote of the congregation at a special meeting called for that purpose.
2. The Consistory creates a Future Hope Fund Advisory Board ("BOARD"). The Board shall have up to 5, but not less than 3 voting members, consisting of 2-4 at-large members appointed by the Consistory, plus one Consistory member (other than the president). At-large members shall be appointed for a term of 5-years (renewable). The Consistory member's term ends with the end of their term of office. The president of Consistory shall be an ex-officio (non-voting) Board member.
3. The Board is invested with the authority to direct the FHF investments according to an **Investment Policy** to be approved by the Consistory.
 - a. The Board shall consider Consistory requests for withdrawals from the FHF based on the **Disbursement Policy** (below), as amended from time to time.
 - b. The Board shall adopt the **Investment Policy** and employ such **Investment Advisers** as they deem appropriate for the **Investment Purpose** of *growing the corpus of the Fund to benefit the future mission and operations of Hope Reformed Church in a fiscally responsible manner*. The **Investment Policy** shall require an appropriate mix of invested assets and financial institution-held funds.
 - c. The **Investment Policy** and **Investment Advisers** shall be reviewed at least annually, with a report to Consistory as to fund performance and recommendations of the Board regarding the Investment and Disbursement Policies.
 - d. The Advisory Board may meet and vote electronically.
4. The FHF **Disbursements Policy**, below, shall govern the disbursements from the total investment of \$503,000.00 (as of October 29, 2024).
 - a. \$50,000.00 is designated for emergency capital expenditure needs of the church for losses or unbudgeted expenses not covered by insurance. *This*

amount of \$50,000.00 shall not be used for any other purpose except in the event of the Emergency Clause (par. 5, below.)

- b. Of the balance in the Fund (approximately \$453,000.00), \$30,000 may be allocated as a revenue source for the 2025 annual budget. In addition, up to an additional \$20,000.00 may be included in the 2025 budget to offset any shortfall in budgeted receipts from other sources. In total, up to \$50,000.00 may be drawn from the FHF by the Consistory during 2025, to avoid deficits.
 - c. Beginning in 2026, the Consistory may include up to 10% of the total annual operations and missions budgeted expenditures, but not exceeding \$30,000.00, as budgeted revenue from the Future Hope Fund assets. For example, if the total 2026 Budget Expenditures (Operations and Missions) are \$330,000.00, Consistory may draw \$30,000.00 as a revenue source from the FHF. If the total 2026 Expenditures are \$290,000.00, the Consistory may draw \$29,000.00 as a revenue source from the FHF.
 - d. In addition to the 10% Disbursement (par. 4.c.), the Consistory may request the FHF Advisory Board to release up to an additional \$10,000.00 each year to account for shortfalls in budgeted receipts or to pay for unbudgeted expenditures.
 - e. Beginning with 2026, in no event shall the total Future Hope Fund disbursements exceed \$40,000.00 in any budget year.
5. Emergency Clause: In the event that the sustainability of Hope Church is in doubt due to a >30% decrease in offerings and/or a >30% increase in expenses, the Consistory may, by a three-fourths vote, and upon the advice of the congregation's consent given by three-fourths of the members present and voting (or submitting proxies) at the annual meeting or a special meeting of the congregation, direct the FHF Advisory Board to disburse up to 100% of the FHF assets, including the \$50,000 capital reserve (par. 4a), for any purpose necessary to sustain Hope Reformed Church.
6. The Consistory shall adopt a memorials, gifts and bequests policy statement during 2024. ('Special Gifts Policy') This Special Gifts Policy will guide donors, pastors and the Consistory in the receipt and allocation of all special gifts. The Special Gifts Policy shall include guidance for the allocation of special gifts to support the annual church budget; to be place in the Discretionary Fund for special or emergency needs; for capital campaign projects; or to be invested long-term in the Future Hope Fund. The Special Gifts Policy will give priority to the requests of the donors but shall not be bound by their requests if the requests are inconsistent with the vision, mission and goals of Hope Church, or its financial health.

7. These policies may be amended by a three-fourths vote of the Consistory and a three-fourths vote of the Congregation at the annual meeting or a special meeting.

Future Hope Fund Motion **Disbursements Policy** INFOGRAM

Assuming NO INVESTMENT GROWTH going forward, the Disbursement Policy would have the following implications:

1. Beginning Balance:	\$480,000.00
2. Capital Improvements Reserve:	<u>(50,000.00)</u>
3. Net Beginning Balance	\$430,000.00
4. 2025 Budget Disbursement	(30,000.00)
5. 2025 Additional Disbursement	<u>(20,000.00)</u>
6. End of 2025 Balance	\$380,000.00
7. 2026 Budget Disbursement	(30,000.00)
8. 2026 Additional Disbursement	<u>(10,000.00)</u>
9. End of 2026 Balance	<u>\$340,000.00</u>
10. Repeat Lines 7 & 8 for 8 years	(320,000.00)
11. End of 2034 Balance	\$20,000.00 (plus Line 2 \$50,000.00)

Summary: Assuming NO INVESTMENT GROWTH, this policy provides up to \$40,000.00 per year to assist with the annual budget plus deficit reductions through at least 2034, and potentially 2035. 4% Investment Growth would add several years to the projected life of the Future Hope Fund.