

Funds of the New York Avenue Presbyterian Church

**Incorporated by Reference into the *Financial Manual* as
Appendix J**

**Recommended by the Board of Trustees September 20,
2022 and Approved by Session October 24, 2022**

Contents

This Document and Amendments	1
Unrestricted Net Assets UR	1
1005 General Fund	1
1006 Fixed Asset Fund	1
1055 Line of Credit/Loans	2
1056 Idle Cash Held in LOC	3
1060 Pledge Receivables (Inactive from January 1, 2022)	3
1065 Other Illiquid Assets	4
Board Designated Endowments	4
Board Designated Endowments from Unrestricted Contributions	4
Board Designated Endowments from Memorial Contributions	4
1210 Board Designated General Endowment/1215 Board Designated General Endowment Earnings	5
1270 Docherty (College)	6
1280 Community Club (HS or College)	7
Purpose Restricted Non-Endowment Funds	7
2401 Funds Awaiting Disposition	8
2405 Columbarium Fund	8
2410 Capital Improvement Fund	8
2425 Harpsichord Repairs	8
2430 Peacemaking (Global Witness)	9
2431 Peacemaking Offering Fund	9
2435 One Great Hour of Sharing	9
Alternative Christmas Store Funds (Passthrough)	9
2445 Cuba Partners	10
2450 Fair Trade – Coffee/Oil (Passthrough)	10
2453 RCAN Returning Citizens (Non-Budget)	10

Funds of The New York Avenue Presbyterian Church

2455 Kenya Mission	10
2475 Benevolence Fund	11
2477 Benevolence Medical/Theological Education (Non-Budget)	11
2485 Mabel L Williams Scholarship Fund (Passthrough)	11
2490 Radcliffe Room Fund	12
2540 J Sizoo Library Fund	12
2545 Theological Education Conference Fund - Inactive	12
2550 Christmas Joy Offering	12
2555 Flower Fund	12
2565 History Committee Fund	12
2570 Nurture Committee	13
2580 Membership Committee	13
2582 Pastor/Staff Gift Fund (Non-Budget)	13
2590 Docherty Room Fund	13
2595 Presbyterian Women Fund	13
2605 Community Club Fund	14
2610 AC Dornan Scholarships	14
2618 Presbyterian Women's Scholarship Fund - Inactive	14
2635 Metcalf/Edgington Fund	14
2636 Kris Golden Holding	16
2640 Meals on Wheels Fund	16
2645 Justice Ministries Fund - Local	16
2647 Anna Stewart Trust Fund	17
2655 Choir Fund	18
2660 Christian Education Fund	18
2662 Elmer Hanson Trust Support	18
2665 DM Operating Fund	19
2675 Presbyterian Per Capita	19

Funds of The New York Avenue Presbyterian Church

2685 Music Fund	19
2695 Instrument Fund	19
2705 Scholar In Residence Fund	20
2750 Heath Scholarship Fund	20
2755 Beyond the Budget Fund	21
Permanent Endowment Funds	21
General Permanent Endowments	21
Ruckmick Endowment	22
Music Endowments	23
Choir Endowments	23
Instrument Endowment	23
McClendon Scholar-in-Residence Endowment	24
Diaconal Ministers Endowment	24
Christian Education Endowment	24
Edgington Endowment	25
Benevolence Endowments	25
McAfee Endowment	25
Stevens Fund Endowment	26
Presbyterian Women's Scholarship Fund Endowments	26
Heath Fund Endowment	27
Bryden Fund Endowment	28
Robert Wood Memorial Fund	28

This Document and Amendments

Per action of the Board of Trustees and Session, this document is incorporated by reference into the Church's *Financial Manual*. The Treasurer may make minor/technical amendments to this document, provided that notice of all changes is provided to Session and Trustees within thirty (30) days of such amendments. Any substantial changes to the descriptions/restrictions of Funds or addition/deletion of Funds must be approved by the Board of Trustees and, on Trustees recommendation, by Session.

Unrestricted Net Assets UR

Assets in these accounts have no donor restrictions and are available for use without further Session action as approved in the Church's annual budget or separate Session spending authorizations. All are liquid assets unless otherwise noted.

1005 General Fund

The General Fund represents the unrestricted cash and cash-like assets available to be spent by the Church at any time, subject only to Session authorization. All receipts of unrestricted assets are credited to the General Fund unless Session directs otherwise. All payments for expenses and capital items are debited from the General Fund unless Session has authorized use of assets in Purpose Restricted Non-Endowment Funds for those expenses. This Fund is Non-Invested.

The balance of the General Fund equals the Church's total Net Assets less all assets or liabilities credited to other Funds listed on the Fund Balance Report. Although not strictly required by GAAP and our auditors, the Church intends for the balance of the General Fund to always be greater than \$0, taking into account any Unrestricted Cash that may be in use to temporarily pay down a Line of Credit to reduce annual interest expenses. When the General Fund balance is below \$0, the Church is effectively borrowing assets from Board Designated Endowments for operations. If the Church Treasurer determines that the General Fund balance will be less than \$0 at the end of the current year, the Treasurer, with approval of the Board of Trustees, shall recommend that Session authorize sufficient transfers from Board Designated Endowments to bring the General Fund to greater than \$0.

1006 Fixed Asset Fund

This Fund holds illiquid assets. The balance of this Fund equals the book value of the Church's capitalized land, building, furniture, and equipment, net of accumulated depreciation. Under Generally Accepted Accounting Practices (GAAP) for Non-Profit Organizations, the Church's Fixed Assets are added to the books at acquisition cost and then, other than land, are depreciated in value over appropriate and accounting standardized time periods. Land is not depreciated. Generally, investments in the building are depreciated over ten to forty (10-40) years, and investments in furniture, fixtures, and equipment over three to ten (3-10) years.

According to the *History of The New York Avenue Presbyterian Church* by Frank E. Edgington (Washington, D.C. 1961), the old F Street Church paid \$1,194.21 for the front part of the triangle on which the current Church building stands. In 1928 and 1931, two additional lots, stretching from New

York Avenue to H Street, were purchased. The part of the current Church building containing the offices and classrooms occupies these lots. After the current building was completed, a survey discovered that about 1 foot of the front of the building was built on land belonging to the National Capital Parks (as was the building it replaced). A special bill was passed by the US Congress allowing the Church to buy this property for \$1 and retain it as long as it was used for Church purposes. The total cost of all this land is now carried on the books at \$182,575.21.

A record of capital investments in the building and equipment was not kept on the Church books before 1982. In that year, on the resumption of outside financial reviews and audits, our contract accountants determined that the cost of constructing the current building (finished in 1952) and the major renovations of 1967 cost \$1,212,431.11. Since 1982, all appropriate renovations and repairs to the building and its major equipment systems have been booked in the General Ledger.

Similarly, investments in Church, office, and other equipment were not booked before 1982. The outside accountants in that year, based on an inventory, estimated the acquisition cost of equipment purchased before 1982 at \$397,055.88. Since then, all purchases of capitalized equipment have been booked as additions to Fixed Assets.

Prior to 2019, the value of Fixed Assets was not represented in a separate Fund on the Fund Balance report and, thus, was included in 1005 General Fund. Since the book value of Fixed Assets is so high, inclusion of Fixed Assets in the General Fund made it difficult to determine the amount of Unrestricted Cash available to the Church. Fund 1006 Fixed Asset Fund was added to the Fund Balance Report in 2019 to remove these assets from the General Fund and improve clarity of our financial condition.

1055 Line of Credit/Loans

This Fund represents the outstanding principal value of all Church borrowings, including term loans and revolving lines of credit. From time to time, the Church finds it prudent and wise to borrow money from outside institutions to fund large Capital Investments and other needs, rather than drawing down other Unrestricted Assets, such as accumulated endowment earnings or the balance of Unrestricted Board Designated Endowments. Generally this reflects the Church's belief that the cost of borrowing is likely to be lower than potential returns earned from invested Unrestricted Assets. If borrowing costs, for example, are 2% per year and our expected annual investment returns are 5% per year over time, borrowing money is simply less expensive than liquidating invested assets. Borrowing also maximizes the Church's unrestricted cash and financial flexibility.

Amounts borrowed represent a liability for the Church and reduce the Church's Net Assets by the amount of principal still owed (interest costs are reflected in the Church's Annual Budgeted Spending and Statement of Activities reports). Prior to 2021, the balance of our borrowings was not represented by a separate account on the Fund Balance Report and, thus, was deducted from 1005 General Fund. After Fixed Assets were broken out as a separate account in 2019, this caused the balance of 1005 General Fund to show as a large negative number that obscured the Church's Unrestricted Cash position. Beginning in 2021, debt liability was broken out into this account, thus removing it from 1005 General Fund and making our true Unrestricted Cash position clearer.

1056 Idle Cash Held in LOC

This Fund represents the value of assets that would otherwise be held in cash (Non-Invested) that have been used to temporarily pay down the balance of the Church's Line of Credit (LOC) to reduce annual interest expense.

The Church's policy is to not expose non-endowment assets to market risk. As a result, the Church often holds substantial amounts of cash representing Unrestricted Cash (essentially, the balance of 1005 General Fund) and cash equaling the value of Non-Endowment Restricted Funds. These assets are held in checking accounts (no interest) or Money Market Funds (minimal interest in recent years).

As part of their responsibility to manage the Church's cash, Church Treasurers have adopted the policy of transferring cash not needed for immediate expense – i.e., "Idle Cash," – into the Church's Line of Credit to temporarily reduce the LOC balance. Since the interest rate on the LOC substantially exceeds potential returns from allowable investments, such as Money Market Funds, placing the cash into the LOC effectively generates a higher return in the form of interest expense avoided.

Idle Cash is withdrawn from the LOC and returned to the Church's cash accounts, as needed, for current expenses and annually at year end to demonstrate to our outside auditors that the Church possesses adequate cash to support Non-Endowment Restricted Fund obligations. Cash withdrawn at year end is returned to the LOC in early January of the following year.

1060 Pledge Receivables (Inactive from January 1, 2022)

This Fund held illiquid assets. From 2013 through 2021, the Church used the standards laid out in Generally Accepted Accounting Principles (GAAP) to govern accounting for both revenues/assets and expenses/liabilities. Effective in 2022, the Church adopted a modified cash basis of accounting for revenues and contributions, retaining GAAP standards for expense and liability accounting.

GAAP required the Church to recognize Stewardship Pledges as revenue and an asset at the time the Pledges were received. The Church was also required to recognize as revenue and as an asset the estimated value of bequests at the time the Church was notified of the bequest. As pledge/bequest payments were received and deposited as cash in 1005 General Fund or any Restricted Fund specified by donors, the value of the booked assets was reduced. Prior to 2021, the value of Stewardship Pledges and expected unrestricted bequests was held in various Funds, most often in 2805 Prepaid Pledges but sometimes in 1005 General Fund. The value of expected bequests with donor restrictions were recorded in the appropriate Temporarily or Permanently Restricted Fund.

In 2021, the Church added this Fund to hold the value of Stewardship Pledge receivables so that the use of 2805 Prepaid Pledges would be restricted to actual prepaid pledges, and non-cash assets would be removed from 1005 General Fund. Effective in 2022, both Stewardship Pledge and any expected bequest receivables have been written off, with both to be recognized into revenues and assets as actually received. Effective 2022, the Church replaced GAAP standards with cash recognition of Pledges, eliminating any Pledge receivables balance.

1065 Other Illiquid Assets

This Fund holds all illiquid assets and liabilities of the Church not captured in any other Fund. These include accounts payable, accruals for payroll and vacation, amounts owed to the Church, etc. Prior to 2021, these assets were included in the balance of 1005 General Fund. Removing them into a separate account allows 1005 General Fund to reflect the actual Unrestricted Cash available to the Church.

Board Designated Endowments

Board Designated Endowments are endowments created by the Church from assets that were not restricted by donors for use as an endowment. These funds may or may not have restrictions as to use of the contributions. Over the years, Session has created several Board Designated Endowments, most from unrestricted bequests or from Memorial Donations received honoring deceased members. Session can dissolve most Board Designated Endowment at its discretion, with the assets then immediately available for use in accordance with any donor restrictions as to purpose. Board Designated Endowments that receive contributions after Session announces that the fund will be invested as an endowment are deemed permanently restricted, at least as to those contributions. All Board Designated Endowments are Invested.

Board Designated Endowments from Unrestricted Contributions

Over the years, Session created a number of Board Designated Endowments from unrestricted bequests with direction that the earnings of these Funds be directed to various Church programs and Non-Endowment Restricted Funds. In 2020, 1220 Board Designated Breckenridge was eliminated and its assets transferred to 1005 General Fund to fortify the Church's Unrestricted Cash balance.

Effective January 1, 2021, to simplify administration and accounting, Session directed that the following previously existing Board Restricted Endowments created from fully unrestricted assets be dissolved and their assets merged into 1210 Board Designated General Endowment:

- 1205 Board Designated Manse Fund
- 1235 Board Designated for Diaconal Ministers
- 1240 Board Designated Festor Diaconal Ministers
- 1245 Board Designated Hendrickson Moodhe

Board Designated Endowments from Memorial Contributions

The restriction status of Funds created from Memorial Donations is complex, since some contributions were received before Session adopted a purpose for the Fund, while other contributions were received after the Fund purpose was announced. Contributions received before a Fund purpose was established are considered Unrestricted and may be returned to the General Fund by Session at any time. Contributions received after the Fund purpose was announced may be considered Restricted for use according to the announced Fund purpose, including any announced intention to maintain the Fund as an endowment.

In an abundance of caution to ensure complying with donor intent, the Church treats Board Designated Endowments that include Memorial Donations identically to Permanently Restricted Endowments until/unless the Board of Trustees determines otherwise. See additional details in each Fund description below.

1210 Board Designated General Endowment/1215 Board Designated General Endowment Earnings

Also known as “The Unrestricted Endowment,” these Funds were created with Unrestricted Assets contributed or bequeathed to the Church that Session has elected to set aside and invest for ongoing income. The assets in both 1210 and 1215 are completely Unrestricted and can be used for any purpose at Session direction. Session has directed that these assets be invested and managed under the Investment Policy in the same manner as Permanent Endowments, with annual transfers made from the Unrestricted Endowment as provided in the *Financial Manual*.

Fund 1210 is intended to represent the corpus of the endowment – i.e., the original value received and set aside. The balance of this Fund should only change when new Unrestricted Assets are added to the Unrestricted Endowment by Session or, in extraordinary circumstances, Session authorizes transfer of assets to other Funds.

Fund 1215 holds the accumulated earnings from both Funds and changes based on investment returns, investment fees, and annual transfers of earnings to 1005 General Fund.

1265 Cochran-Brown (College)

The Cochran (later Cochran-Brown) Fund was created by Session to honor Virginia Lewis Cochran and her work in establishing and growing the Church’s Community Club Program. Assets held in this Fund include:

- Monies contributed to a Memorial Fund following Cochran’s death and in response to a special campaign a short time later to memorialize her commitment and service to the educational development of young people in the Washington, DC, inner city, and to help perpetuate the types of programs and activities she fostered in the Community Club of The New York Avenue Presbyterian Church
- A bequest from the estate of Virginia L. Cochran under the following terms in her will: “I direct that the principal and/or income there from be spent in such manner as shall be determined by the Board of Deacons, or its successors, ... which Board is presently responsible for administering to the poor and needy and conducting and/or sponsoring programs or activities relating to Christian social education and action.”
- Contributions made specifically to the Fund
- Retained earnings

In 2005, Dave Brown’s name was added to the name of this fund when he retired from Community Club leadership to honor his 43 years of service to Community Club. Upon the dissolution of the Church’s Board of Deacons in 2021, the Session assumed the Deacon’s responsibilities and designated the Justice Ministries Committee as successor to the Deacons for purposes of the Cochran Bequest.

Session has directed that these assets be invested and managed under the Investment Policy in the same manner as Permanent Endowments, with annual transfers made from the Unrestricted Endowment as provided in the *Financial Manual*. Earnings are posted to the same account that holds the Corpus.

Per the Session's charter for this Fund, uses of earnings include:

- Provide scholarship grants to assist Community Club students in post-secondary education or training;
- Purchase uniquely beneficial educational materials for the tutoring program, such as historical materials on Black history, encyclopedia, or training aids;
- Offer grants for the development of special talents in young people seeking ways to serve others.

During the Fund's history, earnings have been used entirely for post-secondary scholarships for former participants in the Community Club Program. The Deacons had delegated the award of scholarships to the Core Council of the Community Club, and this delegation stands pending any change made by the Justice Ministries Committee. Annual draws are transferred to the 2605 Community Club Fund. Because at least some contributions to the Fund were made after the Fund's purpose was announced, the Church currently treats this as a Restricted Fund.

1270 Docherty (College)

Following the death of Mary Shirlaw Docherty, the wife of the Rev. Dr. George M. Docherty, Pastor of The New York Avenue Presbyterian Church, the Session on January 19, 1971, established the Mary Shirlaw Docherty Fund. Assets forming the basis of the Fund were initially raised through a solicitation, with some subsequent gifts. The solicitations stated that "Expenditures may be made from the Fund in support of purposes and causes reflecting the life interests of Mary Shirlaw Docherty." A special committee was established to administer the Fund, named by the Moderator for three (3)-year terms.

On April 10, 1990, the Session changed the name of the Fund to the Mary and Mairi Docherty Memorial Fund at the request of Dr. Docherty, in memory of his deceased daughter. All contributions received by the Church in memory of Mairi Docherty Gates were added to the Fund. The Fund currently holds all contributions and retained earnings.

At some point not determined, Session directed that the assets of this Fund were to be invested and managed under the Investment Policy in the same manner as Permanent Endowments, with annual transfers made from the Unrestricted Endowment as provided in the *Financial Manual*. Also at an undetermined date, Session directed that the earnings of this endowment be used in support of Community Club Scholarships. It is unclear whether any contributions were received for the Fund subsequent to those directions.

On February 8, 2000, the Session transferred the responsibility for spending the income to the Board of Deacons, who determined that earnings were to be transferred annually to 2605 Community Club Fund and delegated the award of scholarships to the Core Council of the Community Club. This delegation stands, pending any change made by the Justice Ministries Committee as successor to the Board of

Deacons. Earnings are posted to this Fund and annual draws are transferred to 2605 Community Club Fund. Because at least some contributions to the Fund may have been made after the Fund's purpose was announced, the Church currently treats this as a permanent endowment.

1280 Community Club (HS or College)

This Fund was created upon receipt in 2006 of a bequest from the estate of Louise A. Menefee. The total Bequest was valued at \$94,485, of which \$62,990 was designated to be added to the Permanent General Endowment. The balance of \$31,495 was "designated for" (in the terms of the will) "The Community Club Scholarship Fund."

In their 2017 analysis of Church wills and bequests, the law firm Steptoe and Johnson commented, "as to the Community Club Scholarship Fund, the terms of the will are ambiguous, so if this Fund was not operated as true endowments, the Session would be reasonable in interpreting the Bequest as restricted as to purpose only."

Although the Fund remains classified as a Board Designated Endowment, it was used in 2018 as a Non-Endowment Restricted Fund, with \$18,000 budgeted for transfer to 2605 Community Club Fund, and approximately that amount actually transferred. In 2019, a further \$10,000 was budgeted for transfer to 2605.

Purpose Restricted Non-Endowment Funds

All Funds in this group hold liquid assets that are restricted as to the purposes for which they are used, but that are Non-Invested and may be used in full at any time, as authorized by Session. Any interest earned from these Funds accrues to 1005 General Fund, not the Restricted Fund itself. Per the *Financial Manual*, they are to be used before Unrestricted Assets whenever possible to fund the Church's ongoing mission and operations, consistent with donor restrictions. Assets in these Funds may only be used as authorized by Session in the Church's annual budget, by supplemental action, or as delegated to a board, program or committee of the Church.

Assets in these Funds come from a variety of sources:

Contributions - Donations received by the Church with donor terms of gift that restrict use of the donated assets for specific purposes, but that do not require the assets to be used as an endowment.

Transfers from Endowments - Earnings from endowments with restrictions on earnings uses as to purpose drawn per the Church's Investment and Endowment Management policies.

For the Columbarium Fund, receipts from purchases of urns, niches, and inscriptions on memorial plaques, as well as income from memorial and inurnment services that Session has directed be reserved for support of Columbarium operations and maintenance.

It is the Church's policy to minimize the number of Purpose Restricted Non-Endowment Funds holding assets at any given time. Contributions received with donor restrictions must be added to existing Restricted Non-Endowment Funds if the contribution specifically or substantially names an existing

Fund. Contributions of \$1,000 or less must be added to existing Restricted Funds if the Church Treasurer determines that the terms of gift unambiguously fit within the restrictions currently in force for an existing Fund. Contributions of more than \$1,000 or in any amount where the Treasurer is unable to make a determination are to be presented to the Board of Trustees for evaluation. If Trustees determine that a contribution cannot be held in an existing Fund, the contribution and terms of gift are presented to Session to decide whether to accept the contribution and terms of gift.

As required by the *Financial Manual*, all bequests of greater than \$50,000 in value must be reviewed by the Board of Trustees and their assigned Fund approved by action of the Session.

2401 Funds Awaiting Disposition

This Fund consists of contributions, bequests, or any other receipts received by the Church but not yet assigned to a Fund. Typically these will be contributions/Bequests with terms of gift that require evaluation by the Board of Trustees or bequests of greater than \$50,000 of value held until Session's final action on the bequest.

2405 Columbarium Fund

Contributions and receipts from purchases of urns, niches, and inscriptions on memorial plaques, as well as income from memorial and inurnment services. Assets restricted for uses related to the provision of Columbarium services and maintenance and supply of the Columbarium.

2410 Capital Improvement Fund

This Fund includes contributions and Bequests restricted for use for maintenance, repair, and improvement of the Church building and property, plus Unrestricted Assets set aside by Session in 2018 for the same purposes. This Fund began in 2018 when Session created the then 1025 Board Approved Capital Expense by the transfer of \$269,091 received as an unrestricted Bequest. Session authorized the Board of Trustees to use these assets to pay for capital improvements to the Church's building and facilities as deemed necessary by the Trustees and without further Session authorization.

Substantially all of the \$269,091 in unrestricted assets provided by Session at the Fund's inception were used by the end of 2022. Further contributions received are deemed to be restricted for maintenance, repair, and improvement projects for the building, regardless of capitalization status. From 2023 forward, assets in this Fund may only be used as authorized by Session in the Annual Budget process, supplemental actions, or delegation of ongoing authority.

2425 Harpsichord Repairs

This Fund consists of contributions restricted for use for harpsichord maintenance and repair. These assets are generally used to fund Harpsichord-related expenses within the 150 Instrument Maintenance Program.

2430 Peacemaking (Global Witness)

This Fund comprises contributions restricted for use in Peacemaking activities, including partial transfers from the annual Peacemaking Offering. It funds all or part of the Annual Budget of Program 320 Peace & Justice Committee.

2431 Peacemaking Offering Fund

This Fund holds contributions from the annual Presbyterian Church USA (PCUSA) Peacemaking Offering. A portion of the Peacemaking offering as specified in the offering solicitation is passed through to PCUSA on the authority of the Church Treasurer (booked to Program 695 Pass-Throughs and Non-Budget). The balance is transferred to 2430 Peacemaking (Global Witness).

2435 One Great Hour of Sharing

This Fund includes donations received in response to the One Great Hour of Sharing annual offering to be passed on in full to PCUSA. The balance of this Fund should be \$0 at the end of every calendar year, with all proceeds transferred to PCUSA. Receipts and disbursements are booked to Program 695 Pass-Throughs and Non-Budget.

Alternative Christmas Store Funds (Passthrough)

This collection of Funds includes:

- 2440 XMAS-Iraq Baghdad/Basra
- 2446 XMAS-First Havana
- 2451 XMAS-Open Arms Housing
- 2452 XMAS-CAIR Immigrant Rights
- 2456 XMAS-Kenya Orphans
- 2458 XMAS-Syria Damascus/Homs
- 2459 XMAS-ONE DC
- 2461 XMAS-Upwardly Global

These Funds were created to hold contributions received as part of the annual Alternative Christmas Store Program conducted each year in November and December when authorized by Session. Contributions are booked to each Fund based on the direction of donors. Each Fund is assigned a recipient organization outside the Church. No later than March 30 of each year, the Church Accountant disburses 100% of the assets in each Fund to the designated recipient organization, as authorized by the Church Treasurer.

If contributions received outside the Alternative Christmas Store Program period reach \$500 or more, the Church Accountant performs an additional disbursement within 60 days of the Fund Balance reaching \$500. The Church Accountant notifies the Treasurer, Finance Committee, and the Peach & Justice Committee of disbursements within 30 days after disbursements are made. Session has

authorized the full disbursement of the full balance of each Fund independent of the Church's annual budget.

All receipts and disbursements for all Alternative Christmas Store Funds are booked to Program 695 Pass-Throughs and Non-Budget.

2445 Cuba Partners

This Fund consists of contributions received and restricted for use in support of the Church's partnership with First Presbyterian-Reformed Church of Havana and the Reformed Presbyterian Church of Cuba. Assets in this Fund are typically used to fund all or part of the budget of Program 690 Cuba Partners.

2450 Fair Trade – Coffee/Oil (Passthrough)

Although part of the Alternative Christmas Store Program, this Fund is managed differently. Assets flow into the Fund in the form of purchases of coffee or olive oil made during the Alternative Christmas Store Program. Upon direction of the Peace & Justice Committee, assets are disbursed to purchase coffee/oil to be sold in the Alternative Christmas Store. Unspent assets remain in the Fund until disbursement is directed by the Peace & Justice Committee. Session has authorized the disbursement of up to the full balance of each Fund, independent of the Church's annual budget. Receipts and disbursements are booked to Program 695 Pass-Throughs and Non-Budget.

2453 RCAN Returning Citizens (Non-Budget)

This Fund includes contributions received and restricted for use as grants and expense payments made in support of formerly incarcerated individuals by the RCAN Returning Citizens Program. The NYAPC RCAN program is chaired by the Executive Director of the McClendon Scholar-in-Residence (MSIR) Program (although RCAN is wholly separate from MSIR and receives no financial support from MSIR) and is supervised by the Session's Justice Ministries Committee. Session has authorized up to the full balance of the Fund to be disbursed at the direction of the RCAN Program Chair with no further budget or other authorization required. Receipts and disbursements are booked to Program 695 Pass-Throughs and Non-Budget.

2455 Kenya Mission

This Fund consists of contributions received and restricted for use in support of the Church's partnership with the PCEA Njoro Orphans Program. These assets are generally used to fund all or part of the budget of Program 310 Kenya Partnership.

Note that this Fund is entirely separate from 2456 XMAS-Kenya Orphans, which collects contributions for the PCE Njoro Orphans Program as part of the Alternative Christmas Store Program and disburses 100% of those contributions automatically in Q1 of each year or on an ongoing basis whenever the balance of 2456 reaches \$500 or more.

2475 Benevolence Fund

This Fund includes contributions to and transfers of earnings from the Benevolence Endowment (Funds 3205/4205), all of which are restricted for use by the Benevolence Committee. The Committee uses the monies for direct aid for emergencies such as catastrophic illness, evictions, lack of tuition to complete a school year, etc.; and for financial support of projects or individuals in need.

2477 Benevolence Medical/Theological Education (Non-Budget)

This Fund consists of contributions received and annual transfers from 2635 Metcalf-Edgington Fund restricted for use by the Benevolence Committee for benevolence grants to pay medical expenses of those in need and to provide support to seminaries or persons studying for ministry. The Benevolence Committee is authorized by Session to spend up to, but not exceeding, the full balance of this Fund, in any year as the Committee deems appropriate. Contributions to, and expenses from, this Fund are booked to Program 695 Pass-Throughs and Non-Budget. See description of 2635 Metcalf-Edgington Fund for additional details.

2485 Mabel L Williams Scholarship Fund (Passthrough)

This Fund comprises the annual proceeds from an outside trust restricted for use as scholarships for individuals attending Washington Bible College. Session has authorized distribution of the full amount of annual receipts and any additional balance in the Fund as approved by the Treasurer of Presbyterian Women. Receipts and expenses are booked to Program 695 Pass-Throughs and Non-Budget.

The will of Mabel Linton Williams, a member of New York Avenue from 1913 until her death in 1979, established the "Mabel Linton Williams-Floyd Williams and Irwin and Catherine Linton Trust Fund". The will provided that one-fifteenth of the income should be sent to the Women's Missionary Society of The New York Avenue Presbyterian Church for scholarships to the Washington Bible College. The Church had no knowledge of this Trust until 1991, when the Trustee sent us a check for \$15,352.22, representing accumulated interest.

This Women's Missionary Society had earlier been merged into the Church's Women's Association, later renamed the Presbyterian Women. In order to be able to carry out Mrs. Williams' wishes, the Presbyterian Women reestablished the Women's Missionary Society, whose membership is identical to the membership of the Presbyterian Women.

Income from the Trust is now received semi-annually and placed in this account. Washington Bible College was acquired by Lancaster Bible College in 2013 and is now the recipient of these monies. The College asks each spring how much we have available for scholarships and recommends individuals to receive them. Checks are made out in the joint names of those recommended and the College as approved by the Treasurer of Presbyterian Women. Priority is given to any members of New York Avenue attending the College. Although administered by Presbyterian Women, this Fund is entirely separate from the 2595 Presbyterian Women Fund. Receipts and disbursements are booked to Program 695 Pass-Throughs and Non-Budget.

2490 Radcliffe Room Fund

This Fund includes contributions to and transfers of earnings from the McAfee Endowment (3225/4225) as determined in the Annual Budget process. Assets in this Fund are generally used to fund all or part of the budgeted expenses of the Church's Radcliffe Room Ministry, including the cost of food provided, transit fares, clothing, and other basic needs of persons experiencing homelessness. Contributions received by the Church designated for "Homeless Ministries" or with similar designations are added to this Fund.

2540 J Sizoo Library Fund

This Fund consists of contributions to and proceeds from Session-approved fundraising activities restricted for use in support of the Church's library, including the purchase of books, magazines, and other content. Assets in this Fund are generally used to fund all or part of the budgeted expenses of the Library Committee. The Library is named for New York Avenue's senior pastor from 1924 to 1936. In 2005, the Fund also purchased copies of the book *Return to the Well* for sale at an increased price. Receipts from the sale were added to this Fund.

2545 Theological Education Conference Fund - Inactive

Assets in this Fund were transferred to Fund 2477 Benevolence Medical/Theological Education in 2021, and 2545 is now inactive. Until 2002, when the Metcalf/Edgington bank accounts, managed separately by the Session Treasurer, were merged into the regular Church bank accounts, amounts received by the Church from the separate bank accounts to support the Church's theological education programs were placed in these accounts until disbursed for the Program's purposes.

2550 Christmas Joy Offering

This Fund comprises contributions to the annual Christmas Joy Offering, one of the four special offerings designated by the PCUSA General Assembly. Since 50% of the offering is used by the Board of Pensions to support needy retired and active church workers and 50% to support Presbyterian-related racial ethnic schools and colleges, the offering is classified as denominational support. All assets in this Fund are disbursed to PCUSA in Q1 of each year without further Session authorization. Receipts and expenses are booked to Program 695 Pass-Throughs and Non-Budget.

2555 Flower Fund

This Fund includes contributions to and proceeds from Session-approved fundraising activities that are restricted for the purchase of flowers for any purpose, including for use in the Sanctuary, the Lincoln Chapel, memorial services and/or distribution to members and friends. This Fund includes contributions made for specific Sundays or in memory of others. Assets in this Fund are generally used to fund all or part of the budgeted flower expenses of the Board of Diaconal Ministers.

2565 History Committee Fund

This Fund consists of contributions to and proceeds from Session-approved fundraising activities restricted for use by the History Committee or its successors. Proceeds from any sales of books or other

items by the History Committee are placed in this Fund as well. Assets in the Fund are generally used to fund all or part of the Budgeted expenses of the History Committee.

2570 Nurture Committee

This Fund includes contributions to and proceeds from Session-approved fundraising activities restricted for use by the Nurture Committee or its successors. Receipts of registration payments for retreats are not added to this Fund, but instead are booked to 1005 General Fund. Assets in the Fund are generally used to fund all or part of the budgeted expenses of the Nurture Committee.

2580 Membership Committee

This Fund comprises contributions to and proceeds from Session-approved fundraising activities restricted for use by the Membership Committee. Any payments received for food service at Membership Committee events are not placed in this Fund, but instead are booked to 1005 General Fund. Assets in the Fund are generally used to fund all or part of the budgeted expenses of the Membership Committee.

2582 Pastor/Staff Gift Fund (Non-Budget)

This Fund includes contributions restricted for use in providing gifts, year-end bonuses, and other support to NYAPC staff. Per guidance from the Church's auditors in late 2021, expenditures from the Pastor/Staff Gift Fund that provide Church employees with any item of more than nominal cash value are reportable/taxable income on the same basis as any other payment/compensation made by the Church to the employee. Contributions may not be accepted for the benefit of any individual/named staff member. All contributions must be available for distribution to any member of staff.

Session has authorized the Personnel Committee to determine the use of up to the full value of assets in this Fund at its own discretion. No budget or other further authorization of Session is required. Contributions and expenses associated with this Fund are included in Program 695 Pass-Throughs and Non-Budget.

2590 Docherty Room Fund

This Fund includes contributions received and restricted for use in maintenance, repair, and equipping the Docherty Center for Congregational Life. Session has authorized the Board of Trustees' use of the assets in this Fund without further Session approval.

2595 Presbyterian Women Fund

Although administered by Presbyterian Women, this Fund is entirely separate from both 2618 Presbyterian Women's Scholarship Fund and 2485 Mabel L Williams Scholarship Fund. The Fund consists of contributions restricted for use by the Presbyterian Women but not restricted specifically for scholarships. Typical uses include meeting or program expenses and donations to World Wide Missions and One Great Hour of Sharing and may include the award of scholarships to Community Club students. No budget or other further authorization of Session is required. Contributions and expenses associated with this Fund are included in Program 695 Pass-Throughs and Non-Budget.

2605 Community Club Fund

This Fund incorporates contributions, grants, and endowment and other Fund transfers restricted for use in support of Community Club program operations and scholarship awards. Endowment transfers are primarily from Board Designated Endowments 1265 Cochran-Brown and 1270 Docherty as well as from the McAfee Endowment as determined during the Annual Budget process. Annual contributions generally include funds raised in support of Community Club by The New York Avenue Foundation. Assets in this Fund are used to fund the annual budgets of Programs 210 Community Club and 270 Community Club Scholarships.

2610 AC Dornan Scholarships

This Fund was established in memory of Andrew C. Dornan by his family. Scholarships are awarded to college students who are graduates of Community Club, are in their last two years of school, and who need such assistance to graduate without a major burden of debt. The family is consulted by the leadership of the Community Club in determining recipients of this scholarship fund. Annual expenditures from the Fund are determined during the Annual Budget process.

2618 Presbyterian Women's Scholarship Fund - Inactive

Although administered by Presbyterian Women, this Fund is entirely separate from both the 2595 Presbyterian Women Fund and 2485 Mabel L Williams Scholarship Fund. This Fund consists of contributions and endowment draws restricted for use by Presbyterian Women for scholarships (as opposed to other purposes) and transfers from Presbyterian Women's Scholarship Fund Endowments (see below). Presbyterian Women have delegated responsibility for awarding these scholarships to Community Club Core Council, and all draws from Presbyterian Women's Scholarship Fund Endowments are now transferred directly to the 2605 Community Club Fund.

2635 Metcalf/Edgington Fund

This Fund dates from the 1940s and receives income from two sources: an external trust established by William P. Metcalf (d. January 8, 1940) and an endowment fund created from the proceeds of a trust established by Frank Ernest Edgington (d. September 3, 1973). The Metcalf Trust is managed by Trust Bank, which distributes earnings to the Church several times each year. The Edgington Trust was managed by a bank followed by Washington Community Foundation. In 2021, after several years of failing to distribute any earnings, the Foundation received permission from the DC government to terminate its management of the Trust and distribute the remaining assets of \$36,701 to the Church. The Board of Trustees determined that the most appropriate way to honor Edgington's intent was to place the distributed assets into a Permanent Endowment (3095 Edgington Fund Corpus/4440 Edgington Fund Earnings) with use of earnings restricted as per the Edgington will.

William P. Metcalf was an active member of New York Avenue from 1916 (and a Session member from 1926) until his death on January 8, 1940. His will instructs the bank to pay the net income of the trust to the Treasurer of the Session to be used:

- To provide medical care and nursing for needy and deserving persons (at least one-half of income shall be used for this purpose);

Funds of The New York Avenue Presbyterian Church

- To relieve cases of special need or distress on the part of deserving persons in the District of Columbia (one-half of the amount not used for medical care should be used for this purpose); and
- To aid those studying for the Gospel ministry or training for missionary work, particularly medical (one-half of the amount not used for medical care should be used for this purpose).
- Preference should be given to members of The New York Avenue Presbyterian Church. The will recommended that a committee of two members of the Session appointed by the Moderator, with the Moderator as Chair, should take charge of the disposition of the net income.

Frank E. Edgington joined New York Avenue on June 27, 1901, and remained an active member until his death on September 3, 1973. He became an Elder in April 1917, and was elected Clerk of Session on October 27, 1918, a post he held continuously until April 4, 1945. After a one-year sabbatical, he was reelected to the Session in April 1946. He again became Clerk on February 10, 1948, serving until 1962. In 1961, he published a *History of The New York Avenue Presbyterian Church*. Edgington's will specified that the Moderator, Treasurer, and Clerk of Session should spend the income:

- To provide medical care and meet other wants of needy and deserving persons in the District of Columbia (at least one-half of the income should be used for this purpose); and
- To aid those preparing for the ministry or missionary work.

Preference should be given to members of the Church where other considerations are equally balanced.

Because of the similarity of purpose and intent, the Church has elected to manage use of the income from the Metcalf Trust and Edgington Trust (now Endowment) in a single Fund. Both Bequests require the involvement of the "Treasurer of the Session" versus the Church Treasurer. Session appoints a Treasurer of the Session for purposes of complying with the Bequests' terms, and the Session Treasurer, Moderator (normally the Senior Pastor), and Clerk of Session act as the Metcalf/Edgington Committee to approve all uses of the Bequests' income.

For many years, Metcalf/Edgington proceeds were used for a variety of purposes, including to support the annual budgets of such programs as Community Club and 7-2-9, as well as to provide grants to seminaries and Benevolence payments for medical expenses to individuals in need. The Church and Metcalf/Edgington Committee struggled to fully use the income, however, and the Fund began to grow to substantial size (ending 2016 with a balance of \$133,771). In 2021, Session, the Finance Committee, and the Metcalf/Edgington Committee adopted the following approach to using Metcalf/Edgington assets as both reasonably efficient and in compliance with the terms of gift for both Bequests:

Session created a new Fund, 2477 Benevolence - Medical/Theological Education with the following charter:

"Donations received and transfers from Metcalf-Edgington Fund restricted for use by the Benevolence Committee for benevolence grants to pay medical expenses of those in need, and to provide support to seminaries or persons studying for ministry. Benevolence Committee is authorized by Session to spend beyond annual budget authorizations as they deem necessary and appropriate up to, but not exceeding, the full balance of this Fund."

Session authorized an initial transfer of \$10,000 from 2635 Metcalf/Edgington Fund to 2477 Benevolence - Medical/Theological Education and directed that 15% of all receipts from the Metcalf Trust and released earnings from the Edgington Endowment be placed in Fund 2477 as received/released.

The balance of assets in 2635 Metcalf/Edgington Fund are to be drawn on in the Annual Budget process with the annual approval of the Metcalf/Edgington Committee for uses consistent with the donors' terms of gift. The Metcalf/Edgington Committee has agreed that using the assets of Fund 2635 to pay the health insurance costs of the Church's non-pastoral employees is an acceptable use of these assets, and this remains the current policy of the Church.

2636 Kris Golden Holding

This Fund was created in 2018 to hold assets received by the Church and restricted for use as a memorial to Kris Golden. In 2022, Session approved the transfer of the balance of the Fund to 2665 DM Operating Fund.

2640 Meals on Wheels Fund

This Fund holds contributions and bequests restricted for use in supporting New York Avenue's Meals on Wheels Program. The most substantial of these gifts is a November 2005 Bequest from the estate of Vassilia C. Boyles in memory of her late husband, J. Harry Boyles, for \$485,000. This Bequest was in support of the Meals on Wheels Program "or other meals programs of the Church."

The Church ended its Meals on Wheels Program at year-end 2009 due to the declining number of clients and the availability of other such feeding programs in Washington, DC. In 2010, Session determined that the balance of this Fund should be used to support budgeted feeding programs serving the disadvantaged, such as Community Club, 7-2-9, and the Radcliffe Room Ministry at the Church.

2645 Justice Ministries Fund - Local

This Fund is the successor to the former Deacons Community Fund. The original Deacons Community Fund was established by Session on May 13, 1986, to be used for contingencies, new programs, and special activities designated by the Board of Deacons. The Session motion specifically declared it was not to be a substitute for regular budgeted expenditures. By 2010, the "Fund" consisted of three separate Funds:

- **The Deacons Fund** – available for use at the Board of Deacons' discretion without budget or other Session authorization. This Fund was started with contributions made to the Church in memory of Curtis McCleskey and also included contributions, income from the Whitaker Bequest, endowment transfers from the (then much smaller) McAfee Fund, and income from the Anna Perkins Stewart Trust (a non-Church trust administered by the SunTrust Bank and restricted for use to charitable purposes among the sick and poor).
- **The Urban Mission Fund** – created with a contribution received in December 2004 to help support the work of a new Urban Mission Pastor. Following the pastor's departure, the Fund remained available for use by the Deacons at their discretion without budget or other Session authorization.

- **The Stevens Child Welfare Fund** – income from a small endowment restricted for use “for the welfare of children of The New York Avenue Presbyterian Church, Washington, DC, the community in which said Church is located, and for National work in which it may be interested.” As with the other Deacons’ Funds, the Fund remained available for use by the Deacons at their discretion without budget or other Session authorization.

Major changes came to the Deacons Fund(s) with the adoption of the 2018 *Financial Manual* and further changes in the 2020 *Manual*. Session’s adoption of the 2018 *Manual* effectively revoked the Session’s delegation to the Deacons of non-budgeted spending authority. From 2018 forward, assets in the Deacons Funds could only be used as authorized by Session in the Annual Budget or other supplemental action. The Finance Committee was directed to budget drawing on Deacons Funds, where possible, to replace use of Unrestricted Assets. But, both the 2018 and 2020 *Manuals* continued to require the Deacons’ agreement to budgeted Deacons Fund use in addition to Session approval.

The 2018 *Financial Manual’s* adoption also approved merging the three Deacons’ Funds into a single Deacons Community Fund, effectively determining that the restrictions on all original gifts and ongoing income sources would be met by supporting the budgets of Programs under the supervision of the Board of Deacons. As constituted in early 2021, 2645 Deacons Community Fund received any contributions received by the Church restricted to “Deacons” use generally, plus annual income/receipts from:

- Anna Perkins Stewart Trust
- Stevens Endowments (3230 Stevens Fund Corpus/4230 Stevens Fund Earnings delivering less than \$300 per year in annual draws)

With the retirement of the Board of Deacons in 2021, the Board’s leadership of the Church’s social mission programs was transferred to Session’s Justice Ministries Committee, and this Fund was renamed, effective in 2023. The Fund continues to receive income from the Stevens Endowments. Annual draws from the McAfee Endowment (3225 McAfee Mem Fund Corpus/4225 McAfee Mem Fund Earnings) not allocated to other Funds are also placed here.

Assets in this fund are restricted for use for/in support of activities in in the greater Washington, DC, region per the terms of gift of the McAfee Endowment.

2647 Anna Stewart Trust Fund

This fund holds distributions received from the Anna Perkins Stewart Trust, created by Ms. Stewart and held and managed by Truist Bank. The terms of the trust state that distributions are restricted for use "for charitable purposes among the sick and poor." The Church has interpreted this restriction as allowing use of Stewart Trust Fund assets to support the Church's social justice activities in general. Unlike 2645 Justice Ministries Fund - Local, use of these assets is not restricted to the greater Washington, DC, area. Assets in this fund are used to fund the Church's Justice Ministries activities as authorized in the annual budget or other Session action.

2655 Choir Fund

This Fund consists of contributions and endowment draws restricted for use in support of the Church Choir Program. Endowments restricted for use in support of the Choir are:

3055 J Davis Mem Choir Endow (Corpus)

3060 R Berquist Choir Endow (Corpus)

4055 TR Choir Fund (Retained Earnings for 3055 and 3060)

Assets in the Choir Fund are drawn on to fund the Choir's annual budget or other Session-authorized expenditures before any unrestricted assets are used.

2660 Christian Education Fund

This Fund includes contributions and endowment draws restricted for use in support of the Church's Christian Education activities. Endowments restricted for use in support of Christian Education are:

3090 Bert E Frost Corpus

4090 TR Bert E Frost Fund (Earnings)

The Fund also receives annual income disbursements from 3080 R Wood Memorial Fund (corpus), an New York Avenue endowment managed by the Presbyterian Foundation. Assets in the Christian Education Fund are drawn on to fund the Christian Education Program's annual budget or other Session-authorized expenditures before any unrestricted assets are used.

2662 Elmer Hanson Trust Support

This Fund encompasses transfers from the Elmer L. Hanson Testamentary Trust, generally dispersed immediately to the beneficiary. Elmer L. Hanson, a long-time devoted member of The New York Avenue Presbyterian Church, bequeathed a portion of his estate to the Church for the creation of an endowment fund. The income from the fund is to be used for "educational scholarships to be awarded to undergraduate or graduate students who are enrolled in seminary or otherwise studying Christian Education or training to become missionaries." The will provides that the trustee shall oversee the investments of the endowment fund, while the Session shall select the scholarship recipients. As of December 31, 2020, the market value of the Trust's assets was approximately \$240,000 and the amount available for annual disbursement approximately \$6,000-\$10,000 per year. The Church currently has no formal process for identifying and selecting recipients.

The assets of the Trust are held separately from other Church assets, and the Trust is subject to the jurisdiction of the Circuit Court of Fairfax County, Virginia. Virginia estate law requires that the trustee be an individual resident of Virginia or a company authorized to provide trust services in Virginia; as a matter of policy and practice, the Board of Trustees appoints the trustee. As of 2021, the Trustee was Douglas House, a long-time member of the Church.

2665 DM Operating Fund

This Fund includes contributions and endowment draws that are restricted for use in support of the Board of Diaconal Ministers. Endowments restricted for use in support of the Diaconal Ministers are:

1235 Board Des for DM (Board Designated – Corpus and Earnings)

1240 Board Des - Festor – DM (Board Designated – Corpus and Earnings)

3075 Res Endow - Perry Bequest (Permanent – Corpus)

4075 TR DM Fund (Earnings from 3075)

Assets in the DM Operating Fund are drawn on to fund the Diaconal Ministers' annual budget or other Session-authorized expenditures before any unrestricted assets are used.

2675 Presbyterian Per Capita

This Fund comprises contributions restricted for use in paying the Church's annual per capita to PCUSA. Assets in this Fund are used for that purpose before any unrestricted assets.

2685 Music Fund

This Fund includes contributions and endowment draws restricted for use in support of the Church's Music programs. Unlike 2655 Choir Fund (restricted for support of the Choir) or 2695 Instrument Fund (restricted for acquisition, repair, maintenance of instruments), assets in this Fund may be used in support of any Music activity. Endowments restricted for the use of Music programs are:

3045 General Music Fund (Corpus)

3050 Dr AA George Music Endow (Corpus)

4045 TR Music Fund (Earnings for 3045 and 3050)

Assets in the Music Fund are drawn on to fund the Music budget or other Session-authorized expenditures before any unrestricted assets are used.

2695 Instrument Fund

This Fund contains contributions and endowment draws restricted for use in support of acquisition, repair, and maintenance of musical instruments. Endowments restricted for use in support of Instruments are:

3065 Organ & Instrument Fund (Corpus)

4065 TR Instrument Fund (Earnings)

Income drawn from the endowment is to be used to support the Music program's annual budget or other Session-authorized expenditures relating to instruments before any unrestricted assets are used.

2705 Scholar In Residence Fund

This Fund comprises contributions and endowment draws from the McClendon Scholar-in-Residence Endowments. The endowments are:

3070 Scholar in Res Corpus

3220 Mem to Jack McClendon (Corpus)

4070 TR Scholar in Res Fund Earnings (Earnings for both corpora)

The McClendon Scholar-in-Residence Program was created in 2010 with a bequest from long-time Associate Pastor Rev. Dr. Jack E. McClendon. Details of the program's scope and purpose can be found in NYAPC Session Resolution, June 8, 2010, accepting the bequest. The key terms include:

- The assets received are to be managed as a permanent endowment, with only income to be used.
- Endowment assets are to be segregated from other assets of the Church.
- Income drawn from the endowment is to be used to support the scholar-in-residence and to pay related expenses of the program.
- Endowment income is specifically not permitted to be used to pay for Church operating expenses, other than for the Scholar-in-Residence Program.
- All expenditures of income released for use must be approved by the Scholar-in-Residence Council.

The will included no specific direction on type of suitable investments or as to appropriate annual draw levels. Endowment earnings are released from the Scholar-in-Residence Endowments annually, as approved by the Board of Trustees, and transferred to 2705 Scholar Res Fund. With agreement from the Scholar-in-Residence Council, Session considers and authorizes use of assets in 2705 Scholar in Res. Fund each year during the Annual Budget process and in response to any supplemental requests the Council may make outside the budget process. Expenditures may include payment for services provided by the Church to the Scholar-in-Residence Program, such as accounting and office services.

2750 Heath Scholarship Fund

This account receives the amounts that the Board of Trustees determines should be drawn each year from the Heath Fund Endowment (3430 Heath Fund/4430 TR Heath Fund Earnings). The will setting up the Scholarship Fund states: "the income ... shall be used for scholarships for economically disadvantaged women students," who meet all of the following criteria:

- "(i) She must be economically disadvantaged and have a financial need for the scholarship;
- (ii) She must be enrolled or accepted for enrollment at a recognized and fully accredited school at the post secondary education level;
- (iii) She must be pursuing or intending to pursue a course of studies designed to qualify her to engage in a professional or paraprofessional level occupation;
- (iv) She must have demonstrated academic ability; and
- (v) She must be selected without regard for race, creed, age or national origin."

The Kathryn G. Heath Scholarship Committee (appointed by the Senior Pastor) is responsible for authorizing disbursements. The procedure for awarding scholarships includes advertising them no less often than two times per year in the Sunday church bulletin and in other places. Each woman desiring to be nominated for an award submits to the Committee by April first of each year:

- (a) a 250-word personal statement responding to the criteria of the Fund; and
- (b) copies of relevant supporting documents.

The Committee interviews no fewer than 10% of said women by June 1 each year, and selects one or more as the best qualified for nomination to the Session at the June Session meeting each year, for approval or rejection. Checks are made out in the joint names of the approved recipients and their colleges for each semester, usually in August and December. The first scholarships were awarded in 1992.

The Committee may award scholarships each year up to the full value of assets in this Fund without further Session authorization. Revenues, earnings, and expenditures are booked to Program 695 Pass-Throughs and Non-Budget. See entry for 3430 Heath Fund for additional details.

2755 Beyond the Budget Fund

This Fund includes donations to the Beyond the Budget Campaign and is restricted for use for capital projects as specified in each donation.

Permanent Endowment Funds

The Permanent Endowments of the Church are contributions and bequests received with restrictions requiring the investment and preservation of the original gift (corpus) and spending only from income (earnings). All endowment assets are invested in accordance with the Church's Investment Policy and any additional requirements included in the terms of gift. The Board of Trustees each year determines the amount of retained earnings in each endowment to be released ("the Endowment draw") for use per any restrictions in the terms of gift. Typically, this determination is based on taking a percentage of the average value of each endowment (corpus and earnings) over the prior 20 quarters. The amount of earnings released is then transferred to a Purpose Restricted Non-Endowment Fund or the General Fund, as appropriate.

Each endowment consists of two Funds – one for the corpus and a second for earnings – and, in most cases, is associated with a Purpose Restricted Non-Endowment Fund. For endowments where all earnings transfer to a single Purpose Restricted Non-Endowment Fund, see the entry for that Fund for details on restrictions on earnings use.

General Permanent Endowments

These are endowments created by gifts or Bequests requiring the creation of an endowment, but placing no restrictions on the use of earnings. Earnings from these endowments are transferred to 1005 General Fund. Funds that are part of the General Permanent Endowment include:

Corpus Funds

3005 Restricted Endow Corpus

3010 Restricted End -Lewis Bequest

3015 Restricted End -Perry

3020 Restricted End -Montgomery

3025 Restricted End -G Edwards

3030 Restricted End -C Smith

3035 Restricted End -Foster

Earnings Fund (for all Corpora listed above)

4005 TR Permanent General Endowment Earnings (Earnings for all seven corpora)

Ruckmick Endowment

In December 1984 and July 1985, the Church received from the Estate of Julia H. Ruckmick, under her will, \$367,514.36 to be invested as a permanent endowment. The Endowment's funds are:

3040 Ruckmick Fund (Corpus)

4040 TR Ruckmick Fund Earnings

The terms of gift specified that Endowment earnings were to be used:

- To maintain and preserve memorabilia of President Abraham Lincoln located in or on the premises of the Church (including the Lincoln Tower lighting, the Lincoln Chapel and Lincoln Parlor and their contents, the Lincoln stained glass window, and the Lincoln memorial carillon and chimes; provided, however, the Trustees and Elders of the Church shall always be mindful, in expending funds available through this Bequest, that it is God and His Son, Jesus Christ, whom we worship, not Abraham Lincoln; and
- For such other purposes, as determined by the Session and Trustees of The New York Avenue Presbyterian Church, as shall be appropriate to maintain The New York Avenue Presbyterian Church as a house of worship and as a center for carrying out God's mission in the Washington, D C metropolitan area or elsewhere throughout the world.

At the annual Congregational meeting, January 27, 1985, the Congregation voted that one half of annual income was to be considered General Operating Budget income under the second purpose above. The other half was to be used for the first purpose above "until such time as all possible Lincoln and other historical projects are completed." At the annual meeting on January 27, 1991, the Congregation authorized the Trustees and the Session to use more of the income for the second purpose if they had to make spending cuts to balance the 1991 budget.

In 2001, the budget approved by Session and the Congregation directed that all earnings drawn from the Ruckmick endowment be deposited in the General Fund, with no monies reserved for historic projects.

This continues to be the Church's policy, with all Ruckmick earnings drawn each year transferred to 1005 General Fund.

Music Endowments

These endowments produce income to support any part of the Church's Music programs and activities. Funds making up the Music Endowments are:

3045 General Music Fund (Corpus)

3050 Dr AA George Music Endmt (Corpus)

4045 TR Music Endowments Earnings (Earnings for both corpora)

Draws from these endowments are transferred to 2685 Music Fund.

During the 1997 Every Member Endowment Campaign, Parish Associate Bryant George offered a contribution to establish the Dr. Arthur Allen George Endowment for Music in memory of his brother, a noted economist and accomplished church organist. In accepting the offer, the Session authorized the receipt of gifts either for a general music endowment or a named endowment to support the Music program of the Church, including music during worship services, performances by Church members or organizations, concerts by others in the Church, or acquisition or repair of the organ and other musical instruments. Contributions to "the Music Endowment" received since then have been added to 3045 General Music Endowment.

Choir Endowments

These endowments produce income for the Church's choir. Funds making up the Choir Endowments are:

3055 J Davis Mem Choir Endowment (Corpus)

3060 R Berquist Choir Endowment (Corpus)

4055 TR Choir Endowments Earnings (Earnings)

Draws from these endowments are transferred to 2655 Choir Fund, although, as noted below, they could also be directed to 2685 Music Fund.

In 1997, the family of James E. Davis, who died that year, asked that gifts received in his memory be made to a memorial endowment fund to support the Choir and Music program to which he was so dedicated. Those gifts form the corpus of 3055 J Davis Memorial Choir Endowment.

In 2001, a \$5,000 Bequest was received from the estate of Ruth Bergquist for an endowment to support the Choir and Music program. That bequest forms the corpus of 3060 R Berquist Choir Endowment.

Instrument Endowment

In 1997, as part of the Every Member Endowment Campaign, Betty and Jim Turner offered a gift to start an endowment to provide income for the upkeep and repair of the organ and other musical instruments belonging to the church. The Session accepted the offer and established the endowment. The Turners

Funds of The New York Avenue Presbyterian Church

added to the endowment in the following year, bringing the corpus to \$2,000. The endowment consists of:

3065 Organ & Instrument Fund (Corpus)

4065 TR Instrument Endowment Earnings (Earnings)

Draws from this endowment are transferred to 2695 Instrument Fund.

McClendon Scholar-in-Residence Endowment

This endowment consists of three funds:

3070 Scholar in Res Corpus (Corpus from McClendon Bequest)

3220 Mem to Jack McClendon (Corpus)

4070 TR Scholar in Res Fund Earnings (Earnings for both corpora)

Annual draws are transferred to 2705 Scholar Res Fund.

Diaconal Ministers Endowment

A bequest of \$100,000 from the estate of Katherine Perry to establish an endowment fund to support the work of the Board of Diaconal Ministers was received in 1997. This endowment consists of the following two funds:

3075 Res Endow - Perry Bequest

4075 TR DM Endowments Earnings

Annual draws are transferred to 2665 DM Operating Fund.

Christian Education Endowment

This endowment consists of two funds:

3090 Bert E Frost Corpus (corpus)

4090 TR Bert E Frost Fund (earnings)

Annual draws from these Funds are transferred to 2660 Christian Education Fund.

Under the will of Francesca K. Frost, who died on January 13, 1986, the Church received a Bequest of \$10,000 for a Bert E. Frost Memorial Fund, "the principal of which is not to be expended, the income, however, to be used at the discretion of the Board of Elders, otherwise known as the Session, for Christian Educational Purposes such as assisting Theological Seminary students intending to enter the Ministry or full-time Christian Service." The Session on May 13, 1986, provided that the income from the Memorial Fund would be placed in the Christian Education Fund for use in accordance with the terms of the will.

Edgington Endowment

This endowment consists of the balance of the trust established by the dissolution of the trust created by Frank E. Edgington and distribution of the remaining assets to the Church in 2021. See 2635 Metcalf/Edgington Fund, above, for details. The endowment consists of two funds:

3095 Edgington Fund Corpus

4040 Edgington Fund Earnings

Fifteen percent of earnings draws are transferred to 2477 Benevolence - Medical/Theological Education and the balance to 2635 Metcalf/Edgington Fund.

Benevolence Endowments

These endowments produce income to support the Church's Benevolence Committee's work. They consist of four Funds:

3205 Benevolence Gift – Penman (Corpus)

3210 Benevolence Gift – Johnson (Corpus)

3215 Benevolence Gift – Edwards (Corpus)

4205 TR Benevolence Corpus Earnings

The Benevolence Fund endowments have evolved and changed in structure and purpose since Session created the first Benevolence Fund on December 15, 1968, as a vehicle for receiving Benevolence-restricted endowment gifts from the Congregation. Until 1991, income from the Benevolence Endowments was made available for use by the Benevolence Committee at their discretion for benevolence expenditures beyond amounts included in the Annual Budget. On December 11, 1990, as it approved the 1991 budget, Session directed that earnings from the Benevolence Endowments be drawn on for budgeted benevolence expenses. The 2018 *Financial Manual* clarified that the Benevolence Committee is authorized to spend only amounts budgeted or otherwise authorized by Session. The three gifts memorialized in Funds 3205, 3210, and 3215 now constitute the full corpus of the Fund.

McAfee Endowment

One of the largest endowments of the Church, the McAfee Endowment is also one of the few endowments with restrictions on use of earnings that does not regularly see earnings transferred to a single Purpose Restricted Non-Endowment Fund. The Endowment consists of two funds:

3225 McAfee Mem Fund Corpus

4225 TR McAfee Fund Earnings

The endowment was created in two phases. In the first phase, Session on February 13, 1990, created the John McAfee Memorial Fund for Community Service to receive memorial gifts from McAfee's wife, Anne, and brother, William. Other members contributed memorial gifts as well, including contributions received during the 1997 Every Member Endowment Campaign. Income from the memorial endowment was restricted for use by the Church for general community activities: inner city work, Meals on Wheels,

the Community Club, programs for the downtown elderly, and the like. As of year-end 2017, the corpus value of the endowment was \$21,113 and income was made available to the Board of Deacons to use at their discretion.

In 2018, John McAfee's brother, William McAfee, added an additional \$1,345,012 to what is now called the McAfee Fund with no change in purpose or restrictions. The 2018 *Financial Manual* directed that the "portion of income and both realized and unrealized capital gains that can be spent is decided each year in the Annual Budget process." The Board of Trustees determines the annual draw amount from the endowment, and the Finance Committee recommends the Purpose Restricted Non-Endowment Fund/Funds to receive the income for use as required by the Bequest in the current or future budgets. Session finalizes the allocation during the Annual Budget process.

Stevens Fund Endowment

In 1941, the Church received as the "Stevens Memorial Fund For Child Welfare" a bequest of \$250 from the estate of Minna E. Conklin Stevens. Subsequent gifts of \$750 and \$1,000 were received from Cabot Stevens in 1942 and 1953, along with other gifts from members through 1980. The endowment consists of two Funds:

3230 Stevens Fund Corpus

4230 TR Stevens Fund Earnings

Annual draws are transferred to 2645 Justice Ministries Fund - Local; see that entry for additional details on this Endowment's restrictions and use.

Presbyterian Women's Scholarship Fund Endowments

These endowments produce income for the Presbyterian Women's Scholarship Fund, formerly the Women's Association Memorial Scholarship Fund (WAMSF). The endowment includes 5 corpora and one earnings fund:

Corpora

3405 Women's Assn Fund Corpus – contributions to the Presbyterian Women's Scholarship Endowment corpus.

3410 Women's Assn Ferguson Mem – A gift in memory of Frances Ferguson, donated by her daughter, Erma E. Ferguson.

3415 Women's Assn Mission Sewing – A gift of \$1,000 received from the Mission Sewing Group.

3420 Women's Assn J Smith Bequest – A Bequest received from the estate of Jewell Smith.

3425 Women's Assn G Smith Bequest – Two gifts and a Bequest from Grace Henderson Smith to create the WAMSF. The total value of these gifts was \$89,909, and the terms of gift stipulate that "interest on invested principal" is available for scholarships to assist young people of The New York Avenue Presbyterian Church (or the immediate community it serves) to continue their education.

Earnings Fund

4405 TR Women's Fund Earnings – holds earnings for all the corpora listed above.

Presbyterian Women have delegated responsibility for awarding these scholarships to the Community Club Core Council. Endowment draws are transferred to the 2605 Community Club Fund.

Heath Fund Endowment

This endowment provides income for the Heath Scholarship Fund for use in awarding the Kathryn G. Heath Scholarship. The Endowment consists of two Funds:

3430 Heath Fund

4430 TR Heath Fund Earnings

The Heath Fund Endowment has an unusual set of restrictions and directions regarding the use of what the terms of gift refer to as “income.” The will of Dr. Kathryn G. Heath stated the following:

I give and bequeath one hundred thousand dollars to The New York Avenue Presbyterian Church ... to be used exclusively for an endowment fund... the income from which shall be used for scholarships for economically disadvantaged women students. I direct that the Fund shall be managed as follows:

- 1.The principal shall be invested in high income producing securities or in some other fiscally responsible manner.
- 2.The annual income (which shall include capital gains) from the Fund's investments shall be used as follows:
 - a. Fifty percent (50%) of said income shall be reinvested into the principal amount of the Fund.
 - b. Fifty percent (50%) of ... income shall be distributed annually to one or more women...”

The terms of the will provide some latitude in deciding how to invest the Heath assets. From receipt of the initial bequest through the early 2000s, assets in this account were invested in US. Treasury Securities. The adoption of the 2006 *Financial Manual* included a change in the investment strategy:

“The Trustees have authorized the Investment Committee to invest the Kathryn Heath Memorial Scholarship Fund under the same guiding risk/return principles specified in this Investment Policy for the Fund, ensuring consistency with donor intent.”

Since then, assets for the Heath Endowment have been invested in the same mix of stocks, bonds, and other assets as other New York Avenue endowments. Each month, 50% of gains/losses on the Heath Endowment (corpus plus earnings) are credited to 3430 Heath Fund and the remaining 50% to 4430 TR Heath Fund Earnings.

The Board of Trustees has determined that annual draws from this endowment should be calculated using the same methodology as for other endowments. Endowment draws are transferred to the 2750 Heath Scholarship Fund.

Bryden Fund Endowment

This endowment shows on our books as a single Fund 5010 Funds Held Bryden that includes both corpus and retained earnings of the endowment as reported to the Church by the Presbyterian Foundation.

The Reverend James D. Bryden, Jr., and Mrs. Olive K. Bryden established this memorial fund in memory of their son, Dr. James D. Bryden, III, on December 1, 1979. Initially, they contributed \$1,400 to the Fund. Subsequent contributions were also received.

On January 8, 1980, Session adopted a motion to transfer the original \$1,400 contribution to a designated memorial fund in the United Presbyterian Foundation (now the Presbyterian Church (USA) Foundation). The additional contributions were transferred to the Women's Association Memorial Fund (now Presbyterian Women's Scholarship Fund) and used for Community Club Scholarships. Income from the Trust and all subsequent contributions to the Fund were restricted for use "for benefit in aid grants to students above the high school level." The Women's Association (now Presbyterian Women) directed that income be placed in the Community Club Fund for use in granting scholarships to former students.

Accounting rules require the Church to show the value of the original gift on its books, even though the assets are held and managed by the Presbyterian Foundation. As distributions are received from the Presbyterian Foundation, they are credited to 2605 Community Club Fund.

Robert Wood Memorial Fund

This endowment shows on our books as a single Fund 5015 Funds Held R. Wood that includes both corpus and retained earnings of the endowment as reported to the Church by the Presbyterian Foundation.

The family of Robert A. Wood, on his death on August 9, 1976, suggested that expressions of sympathy be in the form of contributions to a memorial in his name at The New York Avenue Presbyterian Church. In 1980, Session directed that these contributions be placed in an endowment to benefit the Church's Christian Education program. On January 8, 1980, the Session adopted a motion to establish a designated memorial fund in the United Presbyterian Foundation (now the Presbyterian Church (USA) Foundation). The \$3,500 was irrevocably transferred to the Foundation.

Accounting rules require the Church to show the value of the original gift on its books, even though the assets are held and managed by the Presbyterian Foundation. As distributions are received from the Presbyterian Foundation, they are credited to 2660 Christian Education Fund.
