

**THE ARCHDIOCESE OF LOS ANGELES  
CATHOLIC PARISH SCHOOL ENDOWMENT TRUST FUND CHARTER**

\_\_\_\_\_  
(Archdiocesan High School, Parish, Parish School)

**ARTICLE I: NAME**

The name of the Fund shall be **THE** \_\_\_\_\_ (Name of School)  
**SCHOOL ENDOWMENT TRUST FUND, *An Autonomous Pious Foundation*** (hereinafter, "Fund").  
This Charter shall serve as the statutes of the autonomous pious foundation.

**ARTICLE II: PURPOSE**

The purpose of the Fund shall be solely to perpetuate, support, and uphold the work of (Name of School) School. Any conditions imposed or dispositions made by the trustees of this Fund upon the principal, its earnings or income shall be in conformity with this basic purpose and this Charter and the requirements of the 1983 Code of Canon Law – especially, the provisions of canons 113-123; 1301; 1303, §1, 1°, governing public juridic persons in general and autonomous pious foundations in particular, as well as those canons that govern ordinary and extraordinary acts of administration (cf. especially canons 1276; 1277; 1279; 1291; 1292; §§1, 2; and 1295).

**ARTICLE III: ADMINISTRATION – TRUSTEES**

A Board of Trustees shall administer the Fund. The Board of Trustees shall have a minimum of three (3) and a maximum of ten (10) members, including the Pastor and School Principal as ex-officio voting member. The Pastor and School Principal shall serve for the length of their respective terms of office as Pastor and School Principal. The other members shall be appointed by the Pastor (who shall also determine their number) and shall serve for three years with the possibility of renewal for three years at the discretion of the Pastor. The terms of members should be staggered to ensure continuity, and the initial terms shall be adjusted to allow for such continuity. A person appointed to complete an unfinished term will first serve for the remainder of the term before being re-appointed for a three year term at the discretion of the Pastor. A trustee may resign at any time by giving written notice to the Pastor. The Pastor has the power to remove any trustee with or without cause. The presiding officer shall be the Pastor. The Pastor shall file a current list of trustees yearly with the Archbishop of Los Angeles or his delegate and shall notify the same of any changes in the interim. The following persons shall be initial members of the Board of Trustees and shall serve for an initial term as indicated below:

Pastor: \_\_\_\_\_

School Principal: \_\_\_\_\_

Trustees:	_____	_____	_____	_____
	Printed Name	Term	Printed Name	Term
	_____	_____	_____	_____
	Printed Name	Term	Printed Name	Term
	_____	_____	_____	_____
	Printed Name	Term	Printed Name	Term



#### **ARTICLE IV: ADMINISTRATION – VOTING**

A majority of the authorized number of trustees, including the Pastor, constitutes a quorum for the conduct of business. Except for actions subject to Articles VIII, X, XI and XII, a simple majority vote of a quorum shall be adequate to make decisions.

#### **ARTICLE V: ADMINISTRATION – MEETINGS**

Regular meetings of the trustees must be called at least twice a year on notice by the Pastor to review and decide matters relating to the Fund. The Pastor may call special meetings on notice, as he judges necessary. Written minutes of all meetings of the Board of Trustees shall be kept. Special meetings may be held by telephone, if a quorum of trustees so agree and participate in the meeting.

#### **ARTICLE VI: ACCEPTANCE OF GIFT OR DONATION**

The trustees shall have the right and obligation to review each and every gift or donation, whether made in cash or in kind, and to accept or reject a gift on the basis of its suitability in the furtherance of this Fund. The trustees may reject a gift only after the matter has been reviewed and approved by the Director of Trusts and Estates of the Development Department of the Archdiocese of Los Angeles. All non-cash gifts must be reviewed and approved by the Director of Trusts and Estates of the Development Department of the Archdiocese of Los Angeles before being accepted.

#### **ARTICLE VII: DEPOSITING OF PRINCIPAL ASSETS**

The restricted assets of this Fund shall be deposited with the Archdiocesan Catholic Center in the investment pool established by the Archdiocese of Los Angeles for the use of (name of Parish School Endowment Trust Fund).

#### **ARTICLE VIII: USE AND DISBURSEMENT OF THE FUND**

The fund can make disbursements only from the earnings of the fund. (Earnings are defined as dividends, interest, realized and unrealized gains and losses). The disbursement works as follows:

1. The percentage disbursement rate is 5% of the total market value of the Fund.
2. The 5% disbursement policy is based on a widely adopted endowment disbursement process of computing the average year end market value of the endowment funds for the past three fiscal years. The purpose of the 5% disbursement policy is that an endowment should be able to earn higher earnings annually over time, which would be added to the fund thereby providing an offset against the erosion of purchasing power through inflation.

In the event that the fund's total returns for a given fiscal year and for the trailing three (3) fiscal years are inadequate to permit a 5% distribution without invading principal, a distribution of up to 5% may be authorized by a unanimous vote of the Board of Trustees with the approval of the Archbishop or his delegate, but in all cases, the principal distributed must be repaid from future returns. In no case may the trustees invade the sum of the original gift with which this Fund was established as an autonomous pious foundation or of any subsequent gift(s) to the Fund without first observing the procedural requirements of Article X below.



Any unused portion of the 5% annual disbursement will revert to principal at the end of the next fiscal year.

The Fund will receive a quarterly statement of activity from the Office of Financial Services of the Archdiocese of Los Angeles. Financial information regarding this Fund can be obtained by the pastor, at any time, from the Office of Financial Services of the Archdiocese of Los Angeles.

#### **ARTICLE IX: ADJUDICATION OF DISPUTES**

The Archbishop or his delegate shall have the authority to settle disputes regarding this Fund and its disposition in accordance with the terms of the Charter and the requirements of Canon Law.

#### **ARTICLE X: ALTERATION**

The requirements of canons 120-122 and all other canons relevant to public juridic persons must be observed before any alteration of this Fund may take place. To alter this Fund a unanimous vote and recommendation of the Board of Trustees is required and it is to be forwarded to the Archbishop or his delegate. That recommendation must receive the written approval of the Archbishop (or specifically mandated local ordinary), who shall obtain the consent of the College of Consultors and Archdiocesan Finance Council of the Archdiocese of Los Angeles, prior to issuing his approval.

#### **ARTICLE XI: EXTINCTION**

As a public juridic person, this Fund is of its nature perpetual. The requirements of canons 120-122 and all other canons relevant to public juridic persons must be observed before it may be extinguished. If the parish school is dissolved or is merged through consolidation of the parish or, in the judgment of the Archbishop or his delegate, the purpose of this Fund is no longer possible, the Fund may be extinguished or transferred to the new merged parish school entity with the consent of the Archdiocesan Finance Council and College of Consultors, in accord with the requirements of canon law, particularly canon 123. The Archbishop or his delegate shall indicate that fact in writing to the Pastor of the above-named Parish.

If the purpose of this Fund is no longer possible, the accumulated earnings and the principal assets will revert unrestrictedly to the (consolidated) parish to be used in accordance with general Archdiocesan norms at the discretion of the Pastor. If the parish has been suppressed, then all accumulated earnings and the principal assets of the Fund, with the consent of the College of Consultors and the Archdiocesan Finance Council, will revert to the Archdiocese of Los Angeles, and be utilized at the Archbishop's discretion.

#### **ARTICLE XII: ESTABLISHMENT AND AMENDMENTS**

The Fund is canonically established and this Charter shall become effective when the Pastor receives the written permission to establish the Fund. Prior to said permission, the Archbishop, after obtaining the consent of the College of Consultors and the Archdiocesan Finance Council, shall have issued a decree erecting the Fund as an autonomous pious foundation (canons 1303, §1, 1°; 114, §1; 116, §§1,2), and shall have approved this Charter as the statutes of the pious foundation (canons 117; 94, §1). This Charter may be amended by a unanimous vote of the Board of Trustees, but only after receiving the written permission of the Archbishop or his delegate.



**ARTICLE XIII: ANNUAL REPORTS**

The trustees shall use the form provided by the Office of Financial Services of the Archdiocese to issue an annual written report of the disposition of the Fund and its activity to the parish and school communities. A copy of the report shall be attached to the Parish Annual Financial Report.

**ARTICLE XIV: ACCOUNTABILITY**

The Board of Trustees shall review the transactions or activities of this Fund at each meeting to insure that the Fund is being administered according to this charter.

**ARTICLE XV: CONFIDENTIALITY**

All information concerning donors, including but not limited to, their identity and the amount or description of their gifts, shall be kept strictly confidential by the Board of Trustees and any authorized personnel of the Fund, unless written permission is obtained from the donor or donor’s legal representative to release such information.

**PASTOR**

\_\_\_\_\_  
Signature

Dated: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

**SCHOOL PRINCIPAL**

\_\_\_\_\_  
Signature

Dated: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

**ACCEPTANCE**

**ROMAN CATHOLIC ARCHBISHOP**

\_\_\_\_\_

Dated: \_\_\_\_\_

*ARCHDIOCESAN SEAL*

