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MEMORIAL GARDEN

I. BACKGROUND

A. **Funding:** St. Stephen's Memorial Garden (MG) operates without income from the church's General Fund. Revenue comes from three sources:

- user fees - a one-time payment (currently \$500) for the interment or scattering of a person's cremains;
- gifts and memorials designated for the MG (see policy C-10); and
- an endowment from the estate of the late Walter Pietrzak (the terms of which require the principal to remain intact, the income to be used for the maintenance and care of the MG, and that no additions may be made to the principal).

User fees are the primary revenue source and must cover the direct costs of interment or scattering plus contribute to the long-term maintenance and care of the MG. Approximately half of the user fee goes to direct costs, the largest component of which is the bronze plaques which are the only place where the deceased are memorialized by name. The endowment and other gifts and memorials supplement the long-term care function and allow for beautification and enhancement of the MG as a place of spiritual rest and renewal for the living.

While most church budgeting is a matter of matching expenditures to income year to year, the MG has relatively large assets that must be held for the maintenance and care of the MG far into the future. In addition to the endowment, MG long-term assets include prepayments (many a decade or more before the associated cremains will necessitate expenditures) and the portion of fees that is not direct interment cost. Currently, the MG has 87 prepayments and 183 interments. This "perpetual care" obligation makes managing the finances of the MG different from traditional church budgeting.

B. **Balance Sheet:** The monetary assets of the MG are held in a checking account (currently at Regions Bank) and two investment accounts (currently with The Trust Company). One investment account holds the endowment, the other functions as a savings account for the MG. Both are diversified portfolios of equity, bond, and money market funds with roughly 70% in equities.

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These Assets are mirrored on the Liabilities side of St. Stephen's Balance Sheet by Restricted fund accounts. MG Asset and Liability accounts are detailed in the table below:

ASSETS		LIABILITIES	
Endowment Investment Account	GF131	MG Endowment Fund	MG300
Savings Investment Account	GF130	MG Fund (GF300)	GF300
Checking Account	MG120	MG Operating MG Maintenance	MG320 MG330

II. POLICY/PROCEDURE

- A. **Expense Categories:** Operating expenses are tracked separately from those associated with the maintenance of the Garden itself.
1. Operating expenses are those associated directly with interment or scattering of ashes. Operating expenses include those for a particular interment and those providing for future interments, such as backplates and interment spaces.
 2. Maintenance includes general gardening expenses (plantings, fertilizer, etc.), maintenance of the infrastructure (walkways, walls, other structures), and upgrades such as the addition of seating and meditation spaces.
- B. **Garden Management:** The MG Committee oversees the operations and maintenance activities.
1. The Committee reviews and approves applications for interment.
 2. It reviews and approves payments for interment.
 3. It reviews and approves prepayment arrangements.
 4. It reviews and approves purchases of backplates and plaques to hold the backplates.
 5. It reviews and approves maintenance plans and coordinates their accomplishment.
- C. **Financial Management:** The MG Committee can instruct the Treasurer to move money between the checking and savings investment accounts, with the goal for checking to maintain a \$5000 minimum balance plus adequate working funds. The Committee will also need to remind the Treasurer to move interest and dividend earnings out of the Endowment fund periodically, probably at the first of each year.

It is the responsibility of the Committee, when signing vouchers, to make sure that expenditures are debited from the appropriate account, MG320 (Operations) or MG330

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(Maintenance and Care). It is also the responsibility of the Committee to help the Treasurer ensure that deposits are credited to the appropriate account: fees for interment/scattering to MG320, gifts and memorials to MG330. Thus, the Committee should carefully review each month's statements from the Treasurer.

It is also the responsibility of the Committee, at the beginning of each year, to instruct the Treasurer to credit the Maintenance and Care Fund (MG330) with that year's allocation from accumulated user fees. This allocation will be an accounting transfer from MG320 to MG330.

Finally, the MG Committee coordinates with the Finance Committee in reviewing MG finances (see Policies C-1 and F-7).

These financial duties may be summarized as follows:

1. On each voucher, indicate clearly whether the charge is to MG320 (for expenses directly due to interment or scattering of cremains) or MG330 (for maintenance and care expenses).
2. Monthly, review Treasurer's statements to monitor checking balance and to ensure that deposits are correctly credited: user fees to MG320, gifts and memorials to MG330.
3. Annually, instruct Treasurer to withdraw endowment earnings and credit them to MG330.
4. Annually, instruct Treasurer to credit MG330 with the annual allocation from user fees.
5. Annually, and as needed, coordinate financial reviews with the Finance Committee (see Policies C-1 and F-7).
6. The Chair of the MG Committee is an *ex officio* member of the Finance Committee.