

The Relationship Between Grace Memorial Episcopal Church, Grace Institute Grace Memorial Episcopal Church Foundation

This paper is to describe the relationship between Grace Memorial Episcopal Church (“Grace”), Grace Institute (“GI”) and Grace Memorial Episcopal Church Foundation (“the Foundation”) through their governing documents and history.

Three Interrelated Nonprofit Corporations

The Grace Vestry, the governing body of Grace and its parish, founded GI and the Foundation. The Vestry provides continuing oversight to the missions of GI and the Foundation through its election of the GI Board of Directors and the Board of Trustees of the Foundation and approves any changes to the Articles of Incorporation or the Bylaws of GI and the Foundation. The Foundation is a financial arm of Grace and manages a small number of gifts to Grace and a currently small Grace Endowment fund. The most substantial gift currently is the Watt Edwards Family Fund given to Grace for the benefit of GI under certain terms. The Rector of Grace sits on all three boards while Grace and the Foundation share a Treasurer under their Bylaws.

The History and Mission of Grace Institute

The Vestry created Grace Institute in 1995 at the request of the The Rev. Stephen Schneider, then Rector of Grace. Programs began the following year. Two principal reasons for creating GI were to 1) to increase the congregation’s response to the needs of the urban community, particularly the reduction of art programs in Portland Public Schools and 2) to affirm and employ the vocational gifts and perspectives of its parishioners in developing specific programs to serve the congregation and the community.

The mission of GI has evolved and it’s 2007 vision statement was reaffirmed in 2014 as follows:

The core purpose of Grace Institute seeks to lift up the human spirit through programs that engage creativity, invite discovery and build community.

GI first focused on the arts and widely explored “Arts and Spirituality,” “Health and Healing,” “Housing and Shelter,” and “Environmental Stewardship” among other topics. Grace Art Camp, Art classes for youth and adults, Winter Peace Camp, Spring Camp, and the Art of Recycling Festival are examples of on-going GI activities and programs arising from the GI mission.

The Summer Grace Art Camp is GI’s signature program. The Camp grew from a one week session in 1997 serving 30 children to 8 one-week-long sessions serving over 1200 children beginning in 2018. There is a consistent long waitlist for this award winning program. The Peace Camp, a response to 9/11, was a collaborative project with the Muslim and Jewish communities and is now run solely by GI as is the Spring Art Camp, also with waitlists. In respect to their valuable work, fair payment to the artists teaching the workshops was a key component in developing the Art Camps.

GI Incorporation

In 2005, Grace Vestry incorporated GI as a nonprofit 501(c)3 in Oregon in order to:

- 1) to strengthen governance and corporate oversight of the growing GI program;
- 2) to clarify to key constituencies that the mission and GI programs were to be accessible to urban residents without regard to religious persuasion and were not to serve a religious or political purpose;
- 3) to assure a smooth transition when inevitable changes occur in either the parish or GI's staffing; and
- 4) to facilitate pursuit of grants and donations for GI projects and programs.

The new structure was to strengthen and build on the close and supportive relationship of the parish to the GI mission and programs rather than to create a separate and independent corporation unrelated to the parish. The design is consistent with the GI and Grace relationship and their mutual support for GI's secular mission, and with not offering classes and programs that appear to proselytize for particular religious or spiritual belief systems. The Spring Peace Camp provides interfaith experiences and understanding while Grace Art Camp selects an annual theme around a particular country, culture or region for a range of creative and learning experiences. Campers, staff and volunteers are opened to new worlds including music, art, drama, story telling, ceramics, fibre and glass art.

GI Articles and Bylaws

The GI Articles of Incorporation were filed and GI Bylaws written in 2005. The Vestry has approved modifications of the GI Bylaws over the years, although the structure and Grace oversight framed in the Bylaws remain the same.

They specify the primary purpose of GI is to “creatively engage the challenges and changes facing the city and its neighborhoods. Institute programs (including camps, classes, an after school academy and special projects) focus primarily on four areas of urban life: the arts, education, health care and urban livability...” Article II.

The GI Board of Directors shall be appointed by a majority vote of the Vestry for staggered terms set out in the Bylaws. Section V. The Vestry has agreed that at least 51% of the Board shall be made up of Episcopalians.

If a quorum is present, an affirmative vote of all GI Directors present is required to recommend amending the GI Bylaws or Articles of Incorporation to the Vestry and an affirmative vote of two-thirds of Vestry members following certain notice provisions is required to approve any amendment to the Bylaws or Articles. Article IX, Section 2.

Memorandum of Agreement Between GI and Grace

Grace and GI annually sign a Memorandum of Agreement between them that summarizes the history and relationship of the parties and enumerates specific arrangements including space usage and rental terms, custodial services, insurance, equipment access and repair.

The Memorandum of Agreement has consistently agreed that GI will identify the relationship to the parish in all grants and publications such as brochures, catalogues, news releases, as well as the GI website, as “Grace Institute, a non- profit corporation, was established in 1996 by Grace Memorial Episcopal Church.”

The Grace Memorial Episcopal Church Foundation, Inc.

The Vestry incorporated Grace Memorial Episcopal Church Foundation, Inc. (“the Foundation”) December 19, 2001 with the Oregon Secretary of State as a non-profit corporation 501(c)3 exempt charitable. The Foundation was created to manage large gifts to Grace, which includes the generous endowment from the Watt Edwards Family Fund.

Under the Articles, “The specific and primary purposes of this corporation are to solicit, receive and maintain gifts of money and property and to distribute money and property to Grace Memorial Episcopal Church of Portland, Oregon (“Grace Memorial Church”), which is an Oregon nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, and amended (the “Code”), and to engage in and conduct religious, charitable, and educational activities related to Grace Memorial Church and to engage in fundraising for the Grace Memorial Church. The corporation shall be organized and operated exclusively to support or benefit Grace Memorial Church. Article III, paragraph 3.1

“[A]mendments to the Articles of Incorporation or Bylaws shall only be effective upon the approval and ratification of said amendments by a majority of the Vestry of Grace Memorial Church.” Article IX

The Board of Trustees of the Foundation shall consist of seven to fifteen Trustees, 51% of whom shall be members of Grace. Article VIII, Article IV, Paragraph 4.1 and 4.2.3

The Trustees shall nominate candidates for openings on the Board of Trustees to be presented to the Vestry, which has sole authority and discretion to elect Trustees from among candidates slated by the Trustees and the Vestry. Article IV, 4.3.1.3.

The primary endowment currently managed by the Foundation is the Watt Edwards Family Fund. This endowment was given In December, 1999, by Margaret Watt Edwards to Grace church. Grace and the donor agreed to dedicate the gift to support community enrichment through the mission and programs of Grace Institute. These include programs for adults and children in the arts, health and healing and urban livability. The agreements provide for distributions from the income from the Fund and from the corpus when reasonable under certain circumstances.

Over the years, grants to GI from the Foundation through the Watt Edwards Family Fund endowment have covered various needs including scholarships for children to the Art Camps and to children of employees of the camps, leadership training, staff training, visiting artists expenses, establishing art camps in Kenya and Peru and funding various other GI grant requests.

The Foundation and Grace Bylaws provide for the organizations to share a Treasurer. The Grace Rector sits on all three Boards. The Vestry now appoints an additional liaison from the Vestry to GI. GI submits written grants to the Foundation, makes grant presentations and occasional updates in person to the Foundation Trustees. GI provides a wrap up to the Foundation of the use of the Foundation Grant funds and programs they served. The GI Executive Director serves on the Grace Development Committee, which currently proposes expending and finding funds for and with GI for GI classes in the affordable housing project planned to be constructed on Grace property in the next few years. This additional shared space is expected to allow GI to expand its classes throughout the year to wider groups in the community, thus fulfilling GI and Grace's mission to serve the City with a secular program that lifts the human spirit, engages creativity and build's community.