

C5.01.01. Christ Lutheran Church shall have a Christ Lutheran Church Endowment Fund (hereafter “Endowment Fund”). It shall be one of the funds of the congregation.

a) ESTABLISHMENT AND PURPOSE

- 1) The purpose of the Fund shall be to further proclaim the gospel and ministry of our Lord Jesus Christ by:
 - i) Receiving donations, gifts, and bequests: and
 - ii) Earning investment income and capital appreciation on the principal within the fund: and
 - iii) Providing financial support or seed money above and beyond the normal scope of the congregation’s budget for:
 - (1) Local/regional ministry projects,
 - (2) National/worldwide ministry projects,
 - (3) Leadership development (e.g. seminary scholarships, etc.),
 - (4) Non-budgeted property projects. No more than 25% of the annual disbursements will go towards non-budgeted property projects.
- 2) The Fund may receive gifts, donations and bequests undesignated as to their use. Ministry projects shall include, but not limited to, support for under-served local, regional, national, and worldwide ministries, leadership development, and unbudgeted major building and equipment repair/replacement which were not anticipated in the annual operating budget of the church.
- 3) The Fund may receive gifts, donations and bequests designated as to their use. This may include terms or conditions, limitations or directions as to the use of the principal and/or income generated by the gift. Ministry projects shall include, but not limited to, support for under-served local, regional, national, and worldwide ministries, leadership development, and unbudgeted major building and equipment repair/replacement which were not anticipated in the annual operating budget of the church.

b) PARAMETERS

Use of the Endowment Fund may be subject to the following limitations:

- 1) Gifts to the Endowment Fund may be received in accordance with the provisions of the Gift Acceptance Policies.
- 2) The investment income and capital appreciation only from undesignated donations, gifts, and bequests to the Fund shall be used for activities, programs, and projects which are consistent with the purpose of the Fund and which may be recommended by the Endowment Committee.
- 3) Investment income and capital appreciation generated by designated donations, gifts, and bequests to the Fund shall be used in accordance with the donors’ directive for activities, programs, and projects which are consistent with the purpose of the Fund.
- 4) Proposed disbursements from the Fund are presented to the Congregation Council, with Congregational input, who may approve the proposal by majority vote.
- 5) Assets of the Fund shall not be loaned to the congregation or any organization with which it is associated.

c) COMMITTEE

The Endowment Fund shall be managed by a committee to be comprised of seven (7) members of Christ Lutheran Church. This panel shall be called the Endowment Committee.

- 1) At an annual meeting in which election of Officers and Ministry teams are elected, the Church Executive Ministry Team shall place in nomination no less than six (6) congregational members at-large, with five (5) to be elected and serve on the Endowment Committee, in addition to the Council Treasurer. The term of office shall be three (3) years with the first slate serving staggered terms. The Congregation Council shall appoint one (1) member of the Council to serve as an ex-officio (voting) member of the Committee for a 1-year term. A Pastor shall be an ex-officio (non-voting) member of the Committee. The initial Endowment Committee members shall designate their terms of service for the first iteration of Fund members. Thereafter, two (2) members will be elected each year. Only one member of any household shall serve on the Committee at any one time. No member shall serve more than three (3) consecutive three (3) year terms. After a lapse of one (1) year, that former committee member may be re-elected.
- 2) Members of the Committee shall receive a copy of the Endowment Fund Bylaws, a copy of the Gift Acceptance Policies, participate in an orientation session, and become acquainted with the function and purpose of the Ministry. Members shall assume the responsibility to educate the congregation concerning the Fund, and to adopt and implement strategies which promote giving to the Fund. Members shall determine and implement procedures and policies for soliciting, processing and disbursing grant requests in accordance with the requirements and guidelines of the Endowment Fund.
- 3) The Committee shall have general administrative powers over the Endowment Fund and be responsible for the promotion and maintenance of the Ministry. This shall include the direction of all undesignated gifts, investments and related activities.
- 4) The Endowment Committee shall report to the Congregation Council at least twice annually. The Committee shall solicit recommendations regarding the funding of projects and programs consistent with the purpose of the Endowment Ministry.
- 5) The Endowment Committee shall evaluate the submitted proposals, and submit to the Congregation Council proposals for approval. The Committee shall provide a report of the programs currently being supported and shall designate the number of new proposals to be initiated according to the disbursement policies of the Fund.
- 6) The Committee may establish such written rules and policies beyond what is set forth in these Bylaws as may be necessary for the conduct of its business. It may adopt standards and goals to guide in the disbursement of income from the Fund, which it may amend, all within the stated purposes of the Fund.
- 7) If the Congregation Council determines that the Endowment Committee is not fulfilling its responsibilities as provided by these Bylaws, the Council may call for a special meeting of the congregation and offer recommendations to rectify the situation. At any time an Endowment Committee is not functioning, the

Congregation Council shall manage the Fund for a period not to exceed ninety days.

- 8) Any vacancy occurring on the Endowment Committee shall be filled by the Congregation Council until the unexpired term of the previously elected member expires.
- 9) The Nominating Committee shall provide for the nomination of potential members for the Endowment Committee and report same to the annual congregational meeting in the same manner as for other offices and committees.

d) OFFICERS

The Endowment Committee shall elect its own officers. These shall include but are not limited to:

- 1) Chairperson: shall preside at all meetings following Robert's Rules of Order, Revised Edition. The Chairperson shall co-sign all remittances for expenditures and disbursements as defined in **C5.01.01.(e)**. The Chairperson or Committee shall designate an acting Chairperson in that person's absence or temporary inability to serve. The President of the Congregation Council (or in their absence the Congregation Council Treasurer) shall be the other co-signer of remittances.
- 2) Secretary: shall maintain complete and accurate minutes of all meetings of the Endowment Fund and supply a copy thereof to each committee member within thirty (30) days after the meeting. The secretary shall maintain a separate current record of all committee proceedings for congregational reference indicating the dates resolutions and motions that were acted upon.
- 3) Treasurer: shall be responsible for the recording of receipts and disbursements of endowment funds and shall maintain complete, accurate, and up-to-date financial records to reflect the current financial status. The Treasurer shall prepare remittances for the Endowment Fund as defined in **C5.01.01.(e)**. The Fund treasurer shall in no case be the Treasurer of the congregation. The Endowment Fund Treasurer shall submit a written report annually to the congregation at its Annual Meeting. This report shall then become part of the congregation's annual report. All financial records shall be submitted annually for audit or at the request of the Endowment Committee or Congregation Council.

e) FUND MANAGEMENT

- 1) The Endowment Fund may, at any time, receive gifts according to the CLC Gift Acceptance Policy, including gifts in memory of a deceased person or in appreciation or in recognition of a living person.
- 2) The Endowment Committee shall manage, indirectly, donations which are placed with the investment organization in a prudent manner recognizing the Endowment Committee's fiduciary responsibility to the Fund and the Congregation. The purpose of such investments shall be to seek both income and capital appreciation while:
 - i) Requiring the safety of the principal as the primary consideration and,
 - ii) Requiring diversification of investments.
 - iii) The Committee shall separate and maintain the assets of the Endowment fund, distinct and independent from the funds and property otherwise belonging to the Church.

- 3) The Committee shall not be required to make physical segregation of the assets of the ministry funds in order to conform to the directions of any individual donors, though it may establish separate accounts in its accounting records. The asset management organization may provide financial reports which are adequate for reporting to the congregation.
- 4) Although safety and security of all Fund assets is being sought at all times, it is recognized that losses may occur due to circumstances beyond the control of the Endowment Committee i.e. market conditions, economic changes, etc.
- 5) Individuals who desire to support the Fund should designate that their gift, donation, or bequest to: "Christ Lutheran Church Endowment Fund" with proper accompanying documentation.
- 6) Specific categories to which donors may make gifts or bequests for religious charitable or educational purposes are as follows:

- i) Undesignated Funds:

The Unrestricted Funds category is for undesignated gifts and bequests with no restriction as to its use. There is no minimum or maximum contribution amount.

- (1) Undesignated contributions to the Fund may be received at any time per the CLC Gift Acceptance Policy.
- (2) Disbursements from the Fund may occur on no more than an annual basis. The investment income and capital appreciation from undesignated gifts and bequests to the Endowment Fund may be expended or disbursed only within the purpose of C section (a) and section (b) above. This shall require a majority vote of the Endowment Committee and a majority vote of the Congregation Council with Congregational input.
- (3) Disbursements from the Fund will be made in accordance with the current Indiana-Kentucky Synod, ELCA Endowment Spending Policy as revised or amended.

- ii) Donor Designated Funds:

The donor designated funds category is for gifts approved by the CLC Gift Acceptance Policy that are designated by the donor with restrictions as to its use.

- (1) Gifts and bequests may be given by the donor with special terms or conditions as to the use of the gift and/or of the income providing that such designated use is consistent with the purpose described in **C5.01.01.(a)** and **C5.01.01.(b)** above.
- (2) Disbursements from the Fund may occur on no more than an annual basis. The income from designated gifts and bequests to the Endowment Fund is to be used only in accord with the purposes defined in **C5.01.01.(a)** and **C5.01.01.(b)** above and as provided for by the donor. This shall require a majority vote of the Endowment Committee and a majority vote of the Congregation Council with Congregational input.
- (3) If the purpose of the designated fund is no longer valid, the committee will approach the donor, if possible, to re-designate the gift or transfer the gift to undesignated funds.

- f) FINANCIAL INSTITUTIONS

In order to properly manage the funds, the Committee shall maintain accounts with such financial institutions authorized by the Congregation Voting Members. After due vetting of eligible financial institutions, the Committee shall submit its recommendation to the Voting Members for their approval. Endowment funds may only be placed with investment institutions who have the success of the Endowment Fund as their primary objective, as opposed to personal gain. All investment funds shall be placed with outside investors such as in the ELCA Endowment Pooled Trust and/or the ELCA Mission Investment Fund. An agreement entered into for the management of the Fund shall require a two-thirds (2/3) approval of the Congregation Voting Members. Appropriate members of the Executive Committee of the Congregation Council shall provide all signatures any documents may require.

g) **FISCAL YEAR AND ACCOUNTABILITY**

For tax, accounting, or other purposes, the fiscal year of the Endowment Ministry shall be the fiscal year of Christ Lutheran Church. The Committee shall submit at a designated Congregational Meeting the itemized written statements accurately reflecting the position of the Endowment Ministries income and principal accounts, the receipts, expenditures, disbursements and change from the previous fiscal year.

The Fund shall be subject to the annual internal Financial Review (Audit) as required for congregational funds and accounts. The Committee shall maintain a complete and accurate record of accounts and may employ such professional assistance, as it deems necessary in this task. Every effort shall be made by the parties in authority to avoid conflict of interest or the perception of conflict of interest. No member shall engage in any self-dealing or transactions with the Fund in which the member has direct or indirect interest and at all times refrain from conduct in which their personal interests would conflict with the interest of the Fund.

h) **MEETINGS**

Quorum: The affirmative vote of a majority of the Endowment Committee shall be necessary to carry any motion or resolution of the Committee. A quorum of the Endowment Committee shall consist of four (4) voting members. When only four (4) voting members are present, a unanimous vote shall be required to carry any motion for resolution.

1) Regular: The Endowment Committee shall meet no less than quarterly, and shall be called by the Committee Chairperson.

2) Special: The Chairperson or two (2) members of the Committee may call special meetings. All Committee members shall receive at least forty-eight hours prior written, on line, or oral notice of such meetings.

i) **FISCAL EXIGENCY OF THE CONGREGATION**

Should the Committee determine that the congregation is in dire need of the assets, or a portion of the assets, in the Fund resulting from an emergency of such a nature that the future of the congregation is at stake, and the only recourse is to use the Fund assets, the Committee may, upon a majority vote, recommend such authorizing action to the Congregation Council. The congregation must then approve such use by two-thirds majority vote at a properly called congregational meeting. In the event of the dissolution of the congregation, any remaining balance in the Fund shall be turned over to the ELCA Endowment Fund.

j) **AMENDING OF THE FUND BYLAWS**

Any amendments to these Bylaws which will change, alter, or amend the purpose for which the Fund is established, and/or its distributions, shall be adopted by a two-thirds vote of a properly called Congregational Meeting.

k) **DEFINITIONS**

- 1) The terms “Expenditure”, “expenditures”, and “expended” shall mean the use of funds to pay administrative costs of the Fund. The terms “disbursement”, “distribution”, and “transfer” shall mean any funds used in support of ministry programs approved by the Congregational Council.
- 2) The terms “Program”, “Project”, or “Scholarship”, shall mean the ministry initiatives which the Fund supports.