

Mission Endowment Fund Bylaws

ELCA Northwest Synod of Wisconsin

*944 24 ¼ Street, Suite 2
Chetek, WI 54728*

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Purpose

The Purpose of the Northwest Synod of Wisconsin Mission Endowment fund (here after referred to as the Fund) is to:

1. Encourage the concept of whole life stewardship and to receive and manage donations, bequests and charitable gifts from individuals, congregations and organizations;
2. Strengthen and resource the ministry of the Synod;
3. Enhance the ministry of the Synod in addition to, and apart from, its yearly operating budget, with emphasis on, but not limited to:
 - Equipping and supporting leaders
 - Strengthening congregational vitality
 - Developing and supporting ministry for the next generation

Operations

1. Endowment Committee
2. Investment Policy
3. Distribution Policy

1. Endowment Committee

- A. The Fund shall be administered by the Northwest Synod of Wisconsin Mission Endowment Fund Committee (the Committee.)
- B. The Committee will be comprised of 5 members at large, the Treasurer of the Synod and the Bishop or designee. At large members shall be appointed by the Synod Council. Members of the Synod Council, with exception of the Bishop and Treasurer, shall not be eligible to serve on this committee.
- C. All committee members shall be active members in good standing of a congregation of the Synod. Important qualities include having a sense of mission, an understanding of investments, a willingness to promote the Fund and a commitment to make a gift plan to support the Fund.

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- D. Members of the Committee will serve a term of 3 years, with initial terms to be staggered to allow for terms of less than 3 years (1,2,3, members for 1, 2, 3 years.) A member appointed to fill the unexpired term of a prior member who serves for twenty-four months or more shall be deemed to have served a full term. No member shall serve for more than two consecutive terms. Terms of office for at large members shall begin following the annual Synod Assembly.
- E. After a lapse of 3 years, a former committee member may be reelected.
- F. The Committee shall hold such regular or special meetings as the Committee may determine to be appropriate but not less than annually. Between such meetings, the Committee may conduct business by conference call or email. (Email votes should reply to all Committee members.)
- G. A quorum shall consist of four members. No motion or resolution shall pass without the affirmative vote of three members.
- H. The Committee shall elect from its membership a chairperson and recording secretary. The chairperson or designee shall preside at all Committee meetings. The recording secretary shall maintain complete and accurate minutes of all meetings and supply a copy to each member of the Committee. Copies of the minutes will be given to the Synod Office.
- I. The Synod Treasurer shall work with the Synod financial administrative staff in maintaining and coordinating complete and accurate accounts for the Fund. The books of the Fund shall be audited annually by a certified public accountant, and the audit reported presented to the Synod Council.
- J. The Committee shall not participate in or intervene in any political campaign on behalf of any candidate for public office. The Committee shall not carry on any activities not permitted to be carried on by an entity exempt from federal income tax under Section 501©(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any future United State Internal Revenue Law or(b) do any act which would render contributions to the Fund nondeductible under Sections 170(c)(2), 2055(a) and 2522(a) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.
- K. Members of the Committee will not be able to provide services to the Fund for a fee. Members of the Committee will not be able to engage in transactions of the Fund in which he or she has a direct or indirect financial interest.
- L. The Committee shall submit a report of its activities at least annually to the Synod Council and the Synod Assembly. In addition, the Committee shall prepare such other reports as the Synod Council may from time to time request.
- M. The Chair of Endowment Committee, and the Bishop may serve as approved signers for transactions. At least two signatures are required for transactions over \$500.
- N. These Endowment By-laws will be reviewed every 5 years; but not less often.

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2. Investment Policy

- A. With approval from the Synod Council, the Committee shall have full authority to investigate and make decisions regarding the investment of Endowment Fund assets. The Committee may authorize appropriate individuals/entities to implement investments and execute documents on behalf of the Committee.
- B. The Committee shall have the power to:
 - 1. take, have, sell, exchange, rent, lease, transfer, invest and reinvest, and in all other respects to handle, manage, and control the Fund, or any part thereof, as the Committee, in its judgement and discretions, shall deem to be in the best interest of the Fund;
 - 2. receive income, profits, rents, and proceeds of the Fund, and to pay all administrative and promotional expense in connection with it. Expenses are to be paid from Fund income.
 - 3. make, execute, and deliver all instruments necessary or proper for the accomplishment of the purposes of the Fund, including but not limited to deeds, bills of sale, transfers, leases, mortgages, assignments, waivers, releases in settlements, except nothing in this subparagraph shall authorize anything inconsistent with the Constitution and Bylaws of the Synod;
 - 4. employ and reasonably compensate from Fund income professional advisors, including investment counselors, accountants, attorneys, insurance writers, and other persons for the purpose of providing advice to the Committee.
- C. The Committee will consider the ELCA Foundation Endowment Fund Pooled Trust – Fund A and the ELCA Mission Investment Fund as first options in investment considerations.
- D. Transactions of more than [25%] of the value of the Fund at the time of the transaction must be approved by the Synod Council, including a transfer from the current custodian to a new custodian, a purchase of a new asset, or a liquidation of a current asset.
- E. Members of the Committee will not be held liable for any investment losses except to the extent that such losses shall have been caused by bad faith or gross negligence.
- F. Members of the Committee shall not receive any compensation but may be reimbursed either from the Fund income or synod budget for expenses reasonably incurred.

3. Distribution Policy

- A. The use of the assets of the Fund and all related activities of the Committee shall be consistent with the Synod Constitution and Bylaws. Any gifts and bequests to the Fund, as well as all income derived therefrom, shall be used exclusively for religious, charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of the future United States Internal Revenue Law.
- B. The general purposes and ministry of the Synod shall be the focus for Fund distributions. Distributions must be consistent with the terms of any designated gifts received and held by the Fund, unless said terms become obsolete with a change in circumstances.

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- C. Under normal operating conditions, the Committee may authorize distributions of no more than 10% of the principal plus investment earnings over the course of its fiscal year. If the gift is restricted to perpetuity, only the investment earnings are distributed. The definition of investment earnings shall be all realized gains from the investment of principal, interest, dividends and any other income items. Unused investment earnings will not become principal. Any distribution that is larger, must be approved by Synod Council.
- D. The Committee must distribute at least 4% of the principal plus investment earnings over the course of its fiscal year, as defined by the account balance as of December 31 of the previous year, which includes all interest, dividends, realized/unrealized capital gains from the previous year.
- E. Requests for funds from the Endowment must be made by completing a grant application (Exhibit 1), following the guidelines outlined on the application. Said funds will be disbursed in the same fiscal year.
- F. No Fund distributions shall be used to influence legislation, and the Committee shall not participate in or intervene in any political campaign on behalf of any candidate for public office.
- G. Any distribution plan prepared by the Committee shall be presented to the Synod Council for review before distribution occurs. After Council review, the Committee shall administer and distribute funds pursuant to the approved plan.
- H. When, in the opinion of the Committee, circumstances are so dire and of such an emergency nature that the future of the Synod is at stake and the only recourse seems to be the use of some or all of the Fund principal the following procedure must be followed:
 - The Committee, upon a unanimous vote of the members, recommends the above action to the Synod Council.
 - The Synod Council at a duly constituted meeting must approve the recommendation by a five-sixth (5/6) majority of the total voting members of the Synod Council. (This stipulation may not be amended.)
 - Specific purpose designated gifts received by the Fund shall not be used for an emergency distribution.

4. Fund Dissolution Procedure

The Synod intends that the Fund shall be ongoing. It is recognized that the passage of time and changing circumstances may not make it possible to use the Fund for the purposes for which it was intended. Should that situation develop, the Synod Council may authorize other uses of the investment earnings (realized gains from the investment principal, interest, dividends, other income items) and principal consistent with the charitable and religious purposes of the Synod and consistent with federal and state law while at the same time taking all reasonable steps to act accordingly to the original intentions of the donors.

In the event the Synod ceases to exist this Fund shall be transferred to the Synod's successor or the Evangelical Lutheran Church in America Foundation or the ELCA's successor.

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Amendment

Any amendment that will change, alter or amend the Fund shall be adopted by a two-thirds (2/3) majority of the voting members present at a duly constituted Synod Council meeting.