

CHAPTER 21.

ENDOWMENT FUND

- C21.01.** There shall be a separate fund to be known as the Endowment Fund (hereafter referred to as "the Fund") into which bequests from estates, trusts, charitable gifts, assignments of life insurance, and unrestricted transfers of property (cash, stocks, bonds, real estate) given to this congregation shall be placed.
- C21.02.** The Fund is dedicated to the Glory of Almighty God, to carry out His work and provide faithful stewardship of His gifts.
- C21.03. Endowment Fund Committee**
The description and responsibilities of the Endowment Fund Committee are as stated in the bylaws.
- C21.03.01. *The Endowment Fund Committee:***
- a. Shall be the custodian of the Fund.*
 - b. Shall consist of 5 members, all of whom shall be voting members of this congregation. Except as limited herein, the term of each member shall be 5 years. Initial Committee membership shall be arranged as that 1/5 of the terms expire annually. Thereafter, the congregation shall annually select one member for a term of 5 years. No member shall serve consecutive 5-year terms. After a lapse of 1 year, former Committee members may be re-elected. The pastor and president of the Congregation Council shall be advisory non-voting members of the committee.*
 - c. Members will be nominated to the committee by the Nominating Committee. In the event of a vacancy on the committee, the Congregation Council shall appoint a member to fill the vacancy on the committee until the next congregational meeting, at which time the congregation shall elect a member to fulfill the term of the vacancy.*
 - d. The committee shall report annually to the congregation in the same manner as do other offices and committees.*
 - e. One or more members of the Endowment Fund Committee may be removed by the Congregational Council for fraud, gross negligence, self-dealing, or other misconduct of an extremely detrimental nature. Upon request, any members shall have the right to appear before the Congregation Council before removal from the committee.*
- C21.03.02. *The Committee shall meet at least quarterly, or more frequently as deemed by it in the best interest of the Fund. At least 5 business days written notice of any meeting shall be given by the Chairperson to all members of the Committee.***
- a. With consent of the Committee, a Committee member may participate in a meeting of the Committee by means of conference telephone or similar communications equipment, enabling all members participating in the meeting to hear one another. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.*
 - b. Any action to be taken at a meeting of the Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all or the members of the Committee necessary to approve such action. Any such consent signed by all of the members of the Committee shall have the same effect as a unanimous vote at a meeting with a quorum present, and may be stated as such in any document. Any action approved by consent shall be mailed to any member, including advisory non-members, who have not consented to the action.*
- C21.03.03. *A quorum shall consist of 3 members. A majority of the entire Committee (i.e., 3 members) shall be necessary to carry any motion or resolution.***
- C21.03.04. *The Committee shall elect from its membership a chairperson, financial secretary, recording secretary, and publicity secretary. The duties of these officers shall be described in the bylaws.***
- C21.03.05. *The Committee shall report on a semi-annual basis to the Congregation Council and annually, shall render a full and complete audited account of the administration of the fund during a preceding year.***
- C21.03.06. *The Committee may request other members of the congregation to serve as advisory members and, at the expense of Endowment Fund income, may provide for such professional counseling for investments or legal matters as it deems to be in the best interest of the Fund.***
- C21.03.07. *Members of the Committee shall not be liable for any losses which may be incurred upon the investments of the assets of the Fund, except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence. Each member shall be liable for his/her willful misconduct or***

omissions, and no member shall engage in any self-dealing or transactions with the Fund in which the member has direct or indirect financial interest, and shall, at times, refrain from any conduct in which his/her personal interest would conflict with the interest of the Fund.

C21.04. The purpose of the Fund is to enhance the benevolent mission of this congregation apart from the general operation of the congregation; no portion of the income generated by the Fund shall be used for the annual operating budget of the congregation, except where authorized otherwise in the terms of the gift. The investment and distribution of the Fund are as stated in the bylaws.

C21.04.01. All assets are to be held in the name of Grace Lutheran Church Endowment Fund.

C21.04.02. Investment of Income:

- a. Decisions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the Fund, including stocks, bonds, debentures, mortgages, notes or other discretion they deem wise and prudent, are to be made by the Committee.
- b. Decisions to decline to accept a donation to the Endowment Fund shall be made by the committee.

C21.04.03. Distribution of Income:

- a. The Committee shall determine what is principal and income according to accepted accounting procedures.
- b. Income from the Fund shall be allocated or distributed annually and such other times as may be deemed necessary and/or feasible to accomplish the following purposes:
 1. ~~Minimum 10%~~ For unbudgeted capital improvements, debt reduction, or building program of Grace Lutheran Church.
 2. ~~Minimum 10%~~ For scholarships or grants to members of Grace Lutheran Church for the purpose of attending ELCA colleges or seminary; for church-related camping or leadership conferences; or such other training which enables members of this congregation to grow in Christian faith and service to God's people.
 3. ~~Minimum 12.5%~~ For outreach into the community including, but not limited to, grants to ELCA colleges, seminaries, social service agencies, institutions and agencies to which this congregation relates.
 4. ~~Minimum 12.5%~~ For those persons in our parish who are in spiritual and/or economic need.
 5. ~~Minimum 25%~~ For missions of the Evangelical Lutheran Church in America at home and overseas, including, but not limited to, grants to the ELCA for new mission development in North America, professional leadership, educational ministries; world missions and ecumenism, media evangelism and capital funding,
 6. ~~The remaining 30% of the annual earnings for any one or all of the above designated areas, in any proportion as determined by the Committee, or for causes and programs which, at the discretion of the Committee, are consistent with the Fund purpose as stated in C21.02. A maximum of 1/3 of the remaining 30% may be reinvested in the principal portion of the Fund.~~
 7. 6. Courses and programs for support and consideration shall be recommended to the Committee by the Congregation Council through the advisory capacity of the pastor and/or council president and by individual congregational members. The Committee shall consider the recommendations; however, the use of the monies of the Fund shall be decided by the Committee, whose decisions shall be final.

~~e. The Endowment Fund Committee, in its best judgment may decide that it would best serve the purpose of the Fund or any of the categories of income recipients defined in Sections b.1 to b.6 above, to allocate but not distribute income in any given year. The Committee may then allocate but not distribute income to one or more of the b.1 to b.6 recipient classes, or to particular recipients in one or more of those classes for later distribution. The income so allocated, may then, in the discretion of the Committee, be reinvested in the Fund for later distribution. No allocated income shall remain undistributed for more than 5 years.~~

C21.04.04. Principal distribution shall be allowed only for expenditures of any emergency nature, including (without limitation) expenditures necessary for the continued existence of Grace Lutheran Church, but only if 3 members of the Committee vote to bring such a request to the congregation. The congregation may authorize the use of up to one-half of the principal of the Fund at any one time by an affirmative vote of two-thirds of those present, if a quorum, and voting at two (2) special congregational meetings at least 30 days apart, after an initial congregational meeting at least 30 days before the congregational meeting at which the first vote is taken, which shall present only the proposal and

information on the request by the Committee for the disposition of principal. The congregation may, by affirmative vote of two-thirds of those present, if a quorum, waive the 30-day requirement and/or the requirement of two special meetings, in cases of dire emergency.

- C21.05.** In the event this congregation ceases to exist, either through merger or dissolution, disposition or transfer of the Fund shall be at the discretion of the Committee in conformity with the approved congregational consultation with the Bishop of the synod to which this congregation belongs at such time. Consultation with the Evangelical Lutheran Church in America may be desirable for continuation of Endowment Fund obligations.