

ST . JAMES LUTHERAN CHURCH
GETTYSBURG, PENNSYLVANIA

Number 4.70
Subject Endowment Fund
Effective Date 2/13/97
Revised 11/08; 7/14; 11/15/2017
Committee Endowment

Church Funds/Endowment Fund

**AMENDMENT TO RESOLUTION ESTABLISHING
ST. JAMES LUTHERAN CHURCH ENDOWMENT FUND**

St. James Lutheran Church Gettysburg, PA

WHEREAS, the congregation of St. James Lutheran Church adopted a resolution establishing an endowment fund on March 24, 1996 and now desires to amend the previous resolution in its entirety as hereinafter set forth;

WHEREAS, Christian mission involves the faithful management of all the gifts God has given to humankind -the created world, the gospel, life, time, abilities, money, including accumulated, inherited and appreciated resources;

WHEREAS, the Scriptural principle of proportionate giving, to return to the Lord a portion of the gifts God has first given to his beloved children, is both a privilege and an appropriate response in all times and circumstances;

WHEREAS, Christians can give to the work of the church through bequests in wills, assignment of life insurance charitable gift annuities, charitable remainder and other trusts, assignment of certificates of deposit, and transfers of property (cash, stocks, bonds, real estate);

AND WHEREAS, it is the desire of St. James Lutheran Church to encourage, receive and administer these gifts in a manner consistent with the loyalty and devotion to our Lord expressed by the donors and in accord with the policies of this congregation.

THEREFORE, IT IS RESOLVED that this congregation in annual meeting assembled on February 13, 1997, approve and establish on the records of the church a separate fund to be known as the St. James Lutheran Church Endowment Fund (hereafter called the "Fund") of St. James Lutheran Church, Gettysburg, PA.

IT IS FURTHER RESOLVED that the purpose of this Fund is to establish a capital fund for the long-term support of St. James Lutheran Church and its mission.

IT IS FURTHER RESOLVED that the Endowment Fund shall consist of gifts made outside the regular contributions to the existing funds of the church and shall be segregated and used for the specific purpose designated by the donor if so designated.

IT IS FURTHER RESOLVED that the St. James Lutheran Church Endowment Committee

(hereinafter called the "Committee") shall be the custodian of the Fund.

IT IS FURTHER RESOLVED, that the following Plan of Operation sets forth the administration and management of the Fund:

I. Membership

- A. The committee shall consist of five members, all of whom shall be voting members of St. James Lutheran Church. The term of each member shall be three (3) years. The congregation shall elect the necessary number for a term of three (3) years. The term of an elected member shall commence immediately after the Congregational meeting in which the member is elected.
- B. No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former Committee members may be re-elected
- C. The pastors, the president of the Congregation Council or the president's designee (who shall be a member of Congregation Council), and the Congregation's Treasurer, shall be advisory members of the Committee.
- D. The Congregation Council shall nominate members of the Committee and report at the annual congregational meeting in the same manner as for other offices and committees.
- E. In the event of a vacancy on the Committee, the congregation council shall appoint a member to fill the vacancy until the next annual meeting of the congregation at which time the congregation shall elect a member to fulfill the term of the vacancy.

II. Duties

- A. The Committee shall meet as needed in the best interest of the Fund.
- B. A quorum shall consist of three members. When only three members are present a unanimous vote shall be required to carry any motion or resolution.
- C. The Committee shall elect from its membership a chairperson and a recording secretary. The chairperson, or member designated by the chairperson, shall preside at all committee meetings.
- D. The recording secretary of the Committee shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each member of the Committee. The recording secretary shall also supply a copy of the minutes to the Congregation Council.
- E. The congregation's treasurer shall maintain complete and accurate accounts for the Fund and shall prepare a year-end report to be included in the treasurer's report to Congregation Council. The report should include a balance sheet and statement of activities and any other information the Committee feels relevant.
- F. The books shall be audited annually by a certified public accountant or other appropriate person who is not a member of the Committee.
- G. The Committee may request other members of the congregation to serve

as advisory members and, at the expense of Fund income, may provide for such professional counseling on investments or legal matters as it deems to be in the best interest of the Fund.

- H. 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 only for his/her own willful misconduct or omissions, and shall not be liable for the acts or omissions of any other member. 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 all times refrain from any conduct in which his/her personal interests would conflict with the interest of the Fund.
- I. All assets are to be held in the name of St. James Lutheran Church Endowment Fund.
- J. Recommendations to hold, sell, exchange, rent, 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 securities, as in their judgment and discretion they deem wise and prudent, are to be made by the Committee with subsequent execution by two delegated members of the Committee.
- K. The Committee will endeavor to inform members of the congregation to the advantage of Planned Giving.

III. Endowment Fund Investment Policies, Objectives, Guidelines and Restrictions

- A. The primary investment strategy shall be the realization of total investment return from the assets invested.
- B. It shall be the policy of the Endowment Fund to invest all available assets in funds that can be marketed quickly and efficiently with a minimum impact on the resulting market price.
- C. The Endowment Fund assets may be invested in the following manner(s):
 - 1. The ELCA Pooled Endowment Fund in accordance with the published policies of said Fund A.
 - 2. Cash or cash equivalents defined as U.S. Treasury bills, money market funds, and certificates of deposit.
- D. The assets of the Endowment fund shall not be invested in non-authorized investments and specifically not be invested in personal loans to church members and staff.
- E. The Endowment Committee shall invest in a socially conscientious manner taking into account the mission and principles of St. James Lutheran Church, and the investment guidelines established by the ELCA and FUND A.

IV. Distribution of Income and Principal of the Fund

The annual distribution of income shall be at the rate established annually by the

ELCA Pooled Investment Fund and shall be earmarked into budget categories established by Congregation Council. Ten percent of undesignated funds, under \$10,000; will automatically be distributed to the Mission Fund. The remaining Ninety percent shall be allocated out to unrestricted and restricted funds as designated by members of the endowment committee.

- A. The cash portion of the Fund as of December 31 of each year will be maintained in the congregation's checking account at a level established annually by Congregation Council. This cash shall be held in (1) a 'Reserve Emergency Fund' within the Church's annual budget for cash flow management and unanticipated emergencies, or (2) within the 'Undesignated Bequests' fund. Cash held in either the 'Reserve Fund' or the 'Undesignated Bequests Fund shall be transferred to the ELCA Pooled Income Fund upon recommendation of the Endowment Committee and by Congregation Council approval
- B. The undesignated funds, if above ELCA minimum contribution, will be proportioned into designated funds as follows: Growth Fund - 50%, Unrestricted funds – 20%, Mission Fund - 9%, Youth Fund - 9%, Building Fund - 8% and Music Fund – 4%.
- C. At the end of each quarter, any undesignated bequests must be distributed to the endowment funds; as long as that amount is above the ELCA minimum contribution.
- D. If the Congregation Council desires to withdraw an additional amount of the Unrestricted Fund in any given year for the mission of the church, it shall have the right to do so without congregational approval, provided the total withdrawal in any calendar year does not exceed the most recent five (5) year average of the growth realized income of the Pooled Investment Fund .
- E. Withdrawals from the Fund in excess of the amount set forth in the paragraph D, must be approved by a two-thirds vote of members present at the congregational meeting called for this purpose.
- F. A minimum of 10% of each undesignated bequest and gift added to the fund will be designated to the Mission Fund.
- G. The Congregation Council may, at its discretion, for any gift of bequest exceeding \$25,000, establish a separate and dedicated FUND A. (e.g. Youth Work Camp.)
- H. The Endowment Committee will provide to the Congregation Council an annual Appendix to this document that will provide a 1, 2, and 3-year estimate of expected income from the Pooled Endowment Fund with the estimated amount for each category established in Paragraph B.
- I. The Committees responsible for the Paragraph B categories may elect to use the annual appropriation or to hold it for use in a future year.
- J. Church Members and others who may wish to contribute to the Endowment Fund may designate that their gift is to be dedicated to any of the categories in Paragraph B.