

## **ENDOWMENT FUND RESOLUTION**

**WHEREAS**, Christian stewardship 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; and

**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, and

**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 such as cash, stocks, bonds and real estate, and

**WHEREAS**, it is the desire of Trinity 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 BE IT RESOLVED**, that this congregation in annual meeting assembled on \_\_\_\_\_, approve and establish on the records of the church a new and separate fund to be known as the TRINITY LUTHERAN ENDOWMENT FUND (hereafter referred to as the "FUND");

**BE IT FURTHER RESOLVED**, that the purpose of this FUND is to enhance the mission outreach of Trinity Lutheran Church apart from the general operation of the congregation, that no portion of the income generated by the FUND shall be used for the annual operating budget of the congregation;

**BE IT FURTHER RESOLVED**, that the Trinity Lutheran Endowment Fund Committee (hereafter called the "COMMITTEE") shall be the custodian of the FUND;

**BE IT FURTHER RESOLVED**, that the following Plan of Operation set forth the administration and management of the FUND,

### **Amendment to Congregational Bylaws**

An Endowment Fund, whose purpose, governance and operational procedures shall be defined by special resolution adopted by the congregation, shall be established.

### **Committee Membership**

The committee shall consist of five members, all of whom shall be voting members of Trinity Lutheran Church. Except as herein limited, the term of each member shall be three (3) years. Upon adoption of this resolution by the congregation, it shall elect five (5) members to the COMMITTEE; two (2) for a term of three (3) years; two (2) for a term of two (2) years; and one (1) for a term of one (1) year. Thereafter, at each annual meeting, the congregation shall elect the necessary number for a term of three (3) years. No member shall serve more than two (2) consecutive three (3) year terms. After a lapse of one (1) year, former COMMITTEE members may be reelected. The senior pastor and the president/ vicepresident of the church council shall be advisory members of the COMMITTEE. The church council of the congregation shall nominate the COMMITTEE and report at the annual congregational meeting in the same manner as for other offices and committees. In the event of a vacancy on the COMMITTEE, the church 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 fill the term of the vacancy.

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The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best interest of the FUND. A quorum shall consist of three (3) members. When only three (3) members are present a unanimous vote shall be required to carry any motion or resolution.

The committee shall elect from its membership a chairperson, recording secretary, and financial secretary. The chairperson, or member designated by the chairperson, shall preside at all committee meetings. 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. Each member shall keep a complete copy of minutes to be delivered to his or her successor, The recording secretary shall also supply a copy of the minutes to the church council. The financial secretary of the COMMITTEE shall work with the congregation's treasurer in maintaining and coordinating complete and accurate accounts for the FUND and shall sign checks and all other necessary documents on behalf of the congregation in the furtherance of the purposes of the FUND.

After the fund's assets reach \$50,000, the books shall be audited annually by a certified public accountant or other appropriate person who is not a member of the COMMITTEE. The COMMITTEE shall report on a quarterly basis to the church council and, at each annual or duly called special meeting of the congregation, shall render a full and complete audited account of the administration of the FUND during the preceding year. The COMMITTEE may request other members of the congregation to serve as advisory members and, at the expense of the FUND income, may provide for such professional counseling on investments or legal matters as deemed to be in the best interest of the FUND.

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 or she acts in good faith and with ordinary prudence. Each member shall be liable only for his or her own willful misconduct or omissions, and shall not be liable for acts or omissions of any other member. No member shall engage in any "selfdealing" 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 or her personal interests would conflict with the interests of the FUND.

All assets are to be held in the name of Trinity Lutheran Endowment Fund. Recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the FUND with a value of up to \$10,000, 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 for approval by the church council, with subsequent execution by the delegated member of the COMMITTEE. All other transactions over \$10,000 shall be presented to the council for approval.

**Define Principal and Income** The COMMITTEE shall determine what is principal and income according to accepted accounting procedures.

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Gifts and bequests to the fund shall accumulate until a principal amount of \$25,000 or a duration of five (5) years is achieved, whichever comes first, after which the income generated from the investment of the principal shall be expended.

#### **Distribution of Income**

Income from the FUND shall be distributed annually and at such other times as deemed necessary or feasible to accomplish the following purposes:

Minimum of twenty (20) percent for outreach into the community and synod, including, but not limited to, grants to students attending ELCA seminaries and youth attending national gatherings.

Minimum of twenty (20) percent for missions of the ELCA, on this continent and worldwide, including, but not limited to, grants to the ELCA for new congregational development in North America, professional leadership, educational ministries, global mission, ecumenism, evangelism, social ministries, capital financing, and social service agencies, institutions and agencies to which this congregation relates; and to special programs designed for those persons in our parish area who are in spiritual and/or economical need.

Minimum of twenty (20) percent for capital improvements, debt reduction or a building program of Trinity Lutheran Church.

Up to forty (40) percent for any 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 of enhancing the mission outreach of Trinity Lutheran Church.

Disbursement of income from the FUND need not occur annually in the event causes and programs have not yet been approved by the COMMITTEE sufficient to utilize total income available, or if in the judgment of the COMMITTEE total annual disbursement of income is not recommended.

### **Distribution of Principal**

When, in the opinion of the COMMITTEE, circumstances are so dire and of such an emergency nature that the future of the congregation is at stake, and that the only recourse seems to be the use of the FUND principal, the COMMITTEE may, upon a two-thirds majority vote, recommend such authorizing action to the congregation.

### **Amending the Resolution**

**BE IT FURTHER RESOLVED**, that any amendment to this resolution which will change, alter or amend the purpose for which the FUND is established shall be adopted by a two-thirds vote of the members present at an annual meeting of the congregation or at a special meeting called specifically for the purpose of amending this resolution.

### **Disposition or Transfer of Fund**

**BE IT FURTHER RESOLVED**, that in the event Trinity Lutheran Church ceases to exist either through merger or dissolution, disposition or transfer of the FUND shall be at the discretion of the church council in conformity with the approved congregational constitution and in consultation

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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.

### **Adoption of Resolution**

This resolution, recommended by the church council and accepted by the congregation at a legally called meeting, is hereby adopted.

TRINITY LUTHERAN CHURCH

BY \_\_\_\_\_ President) \_\_\_\_\_  
(Secretary)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_