

Good Shepherd Lutheran Church

Endowment Fund Policy

July 2009

- **Definitions:**

- The Endowment Fund is designed to receive gifts and resources from church members, their families and friends. It is a perpetual fund from which only the earnings are distributed to: support existing ministries, to extend the church's ministry beyond these ministries, and to provide resources for future needs.
- Dispersing of Endowment Funds is determined by majority vote of both the Executive Committee and Church Council. The principal investment will not be diminished by withdrawals. Only the income produced by the principal may be dispersed.
- The Endowment Fund Committee is composed of the Chairman of the Finance Committee, the Senior Pastor (as an advisor) and five other appointed church members. The Committee is responsible for making policy recommendations to the Executive Committee and Church Council. The Committee is responsible for initiating requests for distribution of funds and for investment of funds.

- **Purpose of the Fund.** The Endowment Fund provides perpetual financial support for Good Shepherd's Mission. Endowment earnings are used to support religious, charitable and educational activities not part of the regular operating budget of the church. The fund helps to support outreach and benevolent programs and educational ministries of the church, as well as assisting with specific capital expenditures and equipment for the church.
- **Management of the Fund.** The Endowment Fund Committee will recommend changes to the method of managing funds to the Executive Committee and Church Council. Current funds are

invested in certificates of deposit. Any changes to this investment will give emphasis to security of principal.

- **How To Contribute.** Donations during life or a bequest in a will can direct valuable support to church ministries. Contributions in many forms and of any size are welcome. Contributions can continue to support the gospel of our Lord and the ongoing mission of his church for generations to come. Various means may be used to contribute, including:
 - To honor or memorialize someone through a gift of cash.
 - Through gifts of real estate or personal property.
 - Through investments, such as stocks or mutual funds.
 - By naming the Endowment Fund as a beneficiary of an insurance policy or retirement plan asset (IRA, 401K, etc.).
 - By including the Endowment Fund in your will or trust.
 - Through estate planning, using a charitable gift annuity or a charitable trust.
- **Acceptance of Rejection of Gifts.** Proposed gifts will be reviewed by the Endowment Fund Committee. This committee will recommend acceptance or rejection of gifts to the Executive Committee and Church Council. If the gift is not accepted, the potential donor will be informed of the reason(s) for rejection. An example of rejection could be the difficulty or inability to convert property or real estate into a financial contribution. It is the church's policy to convert property or real estate into cash.
- **Recognition of Donor.** A letter of appreciation will be delivered by the Pastor to the donor or survivors recognizing the gift. This letter will be signed by the Pastor and Chairman of the Church Council. Recognition of the gift will also be published in the monthly newsletter and the Church's website.
- **Audit and Reporting of Funds.** The church audit committee will review the financial records of the Endowment Fund on a yearly basis. The status of the fund will be reported to the congregation at the Annual Congregational Meeting.

- **Amendments or Revisions to This Policy.** The provisions of this policy may be revised or amended from time to time by the Church Council. Any amendment or revision shall not affect endowments made prior to such change.

Date Approved by the Church Council:

May 12, 2009

Signature:

Sue Hestless

Church Council President