

ENDOWMENT BY-LAWS WORKSHEET (06/20/17)

Congregational information

1. Complete name _____
2. Street Address _____
3. City _____ State ____ Zip _____
4. Tax ID # _____

MISSION ENDOWMENT

1. Purpose

An account that can hold funds from both current and estate gifts, from which distributions are made for ministry. Ideally, the principal of the gifts grows over time and distributions are made from the earnings of the fund.

2. Operation

- a. Endowment Committee
- b. Investment Policy
- c. Distribution Policy

ENDOWMENT COMMITTEE

1. How many committee members do you want?

- a. 3
- b. 5
- c. _____

2. How long do you want each member to serve?

- a. _____ members for _____ years
- b. _____ members for _____ years
- c. _____ members for _____ years
- d. No member shall serve more than _____ continuous terms of _____ years
- e. After a lapse of _____ years(s), a former committee member may be re-elected

3. Who do you want to be able to nominate candidates? (check all that apply)

- a. Pastor
- b. Congregation Council
- c. Stewardship Committee
- d. Endowment Committee
- e. _____ Committee
- f. Any member of the congregation

4. When do you want the committee members to be elected?

- a. Annual Congregational Meeting
- b. Specially Called Congregational Meeting
- c. Congregation Council Meeting – by Church Council
- d. Other: _____

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5. If there is a vacancy on the Committee:

- a. Congregation Council can appoint someone until the next scheduled election
- b. Specially Called election, following process chosen in #4
- c. Vacancy will remain until the next scheduled election

6. The Committee shall meet at least:

- a. Quarterly
- b. Semi-annually
- c. Annually
- d. As needed

7. A quorum shall consist of at least _____ members.

8. When only _____ members are present, a unanimous vote shall carry any motion or resolution.

9. The Committee will elect from its membership:

- a. Chairperson
- b. Secretary
- c. Treasurer
- d. Vice Chair
- e. Other _____
- f. No officers, all members equal

10. The Committee will report to the Church Council at least:

- a. Quarterly
- b. Semi-annually
- c. Annually
- d. As needed

11. The financial records of the Endowment Fund(s) must be audited at least:

- a. Quarterly
- b. Semi-annually
- c. Annually

- d. **By:**
- e. CPA
- f. Congregation Audit Committee
- g. Congregation Council or appointee of Council
- h. Finance Committee
- i. Other _____

12. Do you want the members of the Endowment Committee to be held liable for any investment losses?

- a. Yes
- b. No

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13. Do you want the members of the Endowment Committee to be held liable for his or her own willful misconduct?

- a. Yes
- b. No

14. Do you want the members of the Endowment Committee to allowed to provide services to the Endowment Fund for fees?

- a. Yes
- b. No

15. Do you want the members of the Endowment Committee to allowed to engage in transactions with the Endowment Fund in which the member has a direct or indirect financial interest?

- a. Yes
- b. No

16. Who do you want to serve as your two signers on your accounts? (check all that apply)

- a. Pastor
- b. Congregation Council Chair
- c. Finance Committee Chair
- d. Endowment Committee Chair
- e. _____ Committee Chair
- f. Another member of the committee

17. How often do you want your congregation to review your endowment by-laws?

- a. Every year
- b. Every 2 years
- c. Every ___ years

INVESTMENT POLICY

18. Do you want to limit the size of the transactions that the Endowment Committee can make without Congregation Council approval?

- a. Yes
 - i. Any transaction larger than _____ % of the Endowment Fund at the time of the transaction, if the transaction is:
 - 1. a transfer from the current custodian to a new custodian
 - 2. a purchase of a new asset
 - 3. a liquidation of a current asset
- b. No

19. Investment Objective

- a. We *plan* on withdrawing the entire *principal* in:
 - i. less than 3 years
 - ii. 3-5 years
 - iii. 6-10 years
 - iv. emergencies only
 - v. never
- b. Our *primary* investment objective is:

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- i. preservation of capital
 - ii. income
 - iii. capital appreciation
- c. Our *secondary* investment objective is:
- i. preservation of capital
 - ii. income
 - iii. capital appreciation

20. What investment management options would you like the committee to have?

- a. Professional, outside advice
- b. Committee manages it on its own
- c. Both

21. If the Committee chooses to manage the investments without professional advice, do you want to limit the investment options?

- a. Yes
 - i. The Endowment Committee is allowed to invest the Fund assets in the following investments:
 - 1. Cash
 - 2. Securities
 - a. Stocks
 - b. Bonds
 - c. Mutual Funds
 - d. Exchange Traded Funds
 - e. Options (used by professional money managers only)
 - f. Futures (used by professional money managers only)
 - g. REITs: non-publicly traded
 - h. Master Limited Partnerships
 - 3. Privately held business interests
 - a. Partnerships
 - b. Limited Liability Companies
 - c. S-Corp
 - d. C-Corp
 - 4. Real Property
 - a. Commercial
 - b. Residential
 - c. Life Estate
 - 5. Other Property
 - a. Mineral Rights
 - b. Oil and Gas Interests
 - c. Bargain sales
- b. No

22. The Endowment Fund may be held at any of the following (Check all that apply):

- a. ELCA Endowment Fund Pooled Trust – Fund A
- b. ELCA Mission Investment Fund
- c. State bank
- d. Federal bank

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- e. FINRA registered broker-dealer
- f. Trust company
- g. Foundations

DISTRIBUTION POLICY

23. Do you want to limit the size of the distribution?

- a. Yes: distributions can be no more than _____% of the Fund balance, defined by the account balance as of _____ of the previous year, and will include all interest, dividends, realized/unrealized capital gains from that year.
 - i. Distributions larger than [21. a] _____% can be made with the approval from:
 - 1. Church Council
 - 2. Congregational vote
- b. No

24. Do you want to have a *mandatory minimum* distribution each year?

- a. Yes: a distribution of at least _____% of the Fund balance, defined by the account balance as of _____ of the previous year, and will include all interest, dividends, realized/unrealized capital gains from that year, must occur each year.
- b. No

25. Do you want the grant application process to be in writing?

- a. Yes [templates will be provided along with draft of by-laws]
- b. No

26. Do you want to limit the portion of distribution to any of the following ministries?

- a. Yes
 - i. No more than _____% can be used for our congregation
 - ii. No more than _____% can be used for our synod
 - iii. No more than _____% can be used for ELCA Churchwide ministries
 - iv. No more than _____% can be used for ELCA-related ministries
 - v. No more than _____% can be used for non-Lutheran charities
 - vi. Unless approved by:
 - 1. Church Council
 - 2. Congregational vote
- b. No

27. Do you want a disposition clause in your gift policy?

- a. Yes: "In the event your congregation 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 Congregation Constitution and Bylaws, and in consultation with the Bishop of the synod of the Evangelical Lutheran Church in America to which this congregation belongs."
- b. No