

# Operating Policies and Guidelines

For

## Good Shepherd Evangelical Lutheran Church Endowment Fund

*Procedures and processes governing the operation of the Endowment Fund*

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### Preamble

“Give thanks to the Lord for he is good; his love endures forever.” (Psalm 106:1)

We thank and praise our Lord for the rich resources he has placed before us in the Good Shepherd Evangelical Lutheran Church Endowment Fund. So that we might be good stewards of His blessings, and that these resources might be wisely used for His Kingdom work now and far into the future, these rules and regulations Statement for the Good Shepherd Evangelical Lutheran Church Endowment Fund has been adopted.

### Method of Operation

Good Shepherd Evangelical Lutheran Church (GS) established an Endowment Fund Committee (Committee) to manage gifts made available by congregation members and others who feel the mission of GS is appropriate for meeting the donors objective. These policies and guidelines govern the operation

of the endowment fund, and they should be strictly adhered to for the benefit of the donor and the congregation.

### **Solicitation of Gifts**

Solicitation of gifts will originate from within the Committee. They will be initiated from materials prepared by the committee and distributed to congregation members for such purposes, or through contact of a Committee member based on donor initiation. Gifts to the endowment fund will be at the direction of the donor. Donors will not be encouraged to make gifts that are inappropriate, in light of the donor's personal or financial situation. Nor, should donors be asked to make gifts which are not in line with their personal interests. Gifts will always be in line with donor restrictions, and they will be guided by GS gift acceptance policy. All gifts will always be treated with dignity and respect.

### **Confidentiality of Information**

All information learned by the Committee about donor's personal or financial affairs will be held in strict confidence. Donor information will not be shared with GS congregation unless written permission to release it is obtained from the donor or their authorized representative. All Freedom of Information Act regulations will be followed.

### **Determination of allocable income for distribution**

At the end of each calendar quarter, the Committee shall determine the available earnings for distribution. Distributable earnings shall include all realized and unrealized gains, interest, dividends and other income less either budgeted or incurred expenses for the calendar quarter. These earnings shall be allocated to each individual endowment pro rata based on calendar quarter ending balances before allocation. The amount allocated to each endowed fund shall be placed in the unrestricted balance of the account. Unrestricted balances shall be available for distribution based on the spending policy set out below.

### **Spending policy**

Each year the amount available to be recommended for spending shall be determined based a percentage of the year end permanently restricted endowed balance in each account. The percentage each year will be determined by the Committee. In determining spending levels, the Committee should consider:

1. The earnings level of the endowment investments

2. The need to maintain the original principle of the donor gift
3. The impact of inflation on future spending
4. The variability of the market conditions in which funds are invested

The recommended amount to be spent will be submitted to GS Ministry Coordinating Council (MCC) for approval. Recommendations to the MCC will include directed spending based on donor intent along with income available for GS directed usage of available funds. The Endowment Committee will provide guidance and suggestions for considerations.

### **Endowment Fund expenses**

Expenses of the Endowment Fund will be paid from income before determination of allocable income. Generally, the Endowment Fund should be self supporting, however when appropriate, in kind support from GS is acceptable. At the beginning of each calendar year, the Committee will determine a percentage of the year end endowment fund balances to be used for payment of expenses. Endowment Fund expenses will be based on budgeted or incurred expenses during any year. Reimbursement of or incurrence of expenses will be paid based on submission of paid receipts or invoices from suppliers and approved by the Treasurer.

### **Pledges**

Pledges will be recorded on the books and records of the Endowment Fund at face value subject to discount for the time value of money. Uncollectable pledges will be removed from the books when they are no longer deemed collectable. Pledges establishing a named endowment that become uncollectable before the actual gifts reach the minimum requirement for a named endowment will be reallocated to the common pool based on the direction of the Committee. Pledges shall be reviewed at least annually for collectability

### **Withdrawal of Funds**

Temporarily restricted funds will be available for withdraw based on requests from authorized individuals. Funds will be made available upon 30 days written notice. Repayment of restricted funds placed in endowments cannot be returned to donors. If such request is made for return of restricted contributions, the Endowment Committee members will consider the request and any unusual circumstances that may exist.

### **Conflict of Interest**

Committee members and advisory members should be free from any financial or operational activities that may generate any personal gains or advantages in dealing with activities of the Endowment Fund. Any conflict for personal gain requires the member to excuse themselves from voting on any transaction where personal gains may be involved. Any conflict that potentially could arise should be reported to either the Endowment Fund Chair and/or to the Committee as a whole.

### **Reporting to Voters**

Each year in May, the Committee will report to the GS Voter's on activities and results of the Endowment Fund for the year ended on the previous December 31.

### **Amendments**

This policy may be amended, changed or added to at anytime with approval of the majority of the Committee members. This policy will be review on an annual basis. Any changes should be submitted to the Committee in writing prior to the meeting in which a vote is to be taken.

### **Adoption**

Adopted by the Committee members listed below.

Dated, February 10, 2014

Endowment Fund Committee

Ken Hull, Chair

Bill O'Malley, Treasurer

Kurt Bohlmann, Secretary

Advisory Members of the Committee

Bill Merchantz

Dave Vicker