

Example

Congregation Constitution Endowment Fund

***This language is to be used only as a reference for congregations and does not represent a recommendation for usage by the Northern Illinois Synod. Congregations are strongly encouraged to seek the advice of their congregation attorney for matters pertaining to language governing Endowment Funds.***

- C5.05. This congregation shall have a mission endowment fund that will operate as specified in this congregation's bylaws. The purpose of the mission endowment fund is to provide for the mission work beyond the operational budget of this congregation.
- C5.05.01. This Endowment Fund shall be referred to as \_\_\_\_\_, and shall be a permanently restricted fund to be held in perpetuity except as otherwise provided for in these bylaws.
- C5.05.02. This Endowment Fund shall be managed by the Endowment Fund Committee. The Endowment Fund Committee shall consist of \_\_\_\_\_ members, all of whom shall be voting members of the congregation. The Endowment Fund Committee shall be elected in staggered terms by the congregation during the annual meeting, and their term shall commence at the end of the annual meeting. The committee members shall serve a three (3) year term and shall be eligible to serve no more than two (2) consecutive terms. The pastor shall be an ex-officio member of the Endowment Fund Committee with voice, but no vote. In the event a committee member is unable to complete their term of office the Congregation Council shall appoint a replacement until the next annual meeting, whereby the congregation shall elect a member to complete the term of office. Officers of the Endowment Fund Committee shall be elected from among their own membership. Officers of the Endowment Fund Committee shall be the president, vice-president, financial secretary, treasurer and recording secretary. The term of office for all officers shall be one (1) year and they shall be eligible to serve no more than two (2) terms. The duties of the officers shall be as follows:
- a. President-shall chair all meetings of the Endowment fund Committee, shall set the agenda, the date and time of the meeting, and shall be responsible for reporting the activity of the committee to the Congregation Council and to the Congregation at the annual meeting.
  - b. Vice-President-shall chair the meeting in the absence of the President
  - c. Treasurer-shall manage the financial accounting, conduct disbursements with the approval of the Congregation Council from the Endowment Fund and provide the Congregation Council quarterly reports on investments and disbursements as well as providing the Congregation complete investment and disbursement reports at the annual meeting.
  - d. Financial Secretary-shall, in the presence of one other member of the Endowment Fund Committee, receive and make record of all income from donors into the Endowment Fund. Shall make all deposits of funds received, shall provide the Treasurer reports of income received, shall provide reports to Congregation Council on a quarterly basis of income received and reports to the Congregation at the annual meeting of yearly income received, provide letters of thanks to donors and provide the end-of-year documentation to donors for tax purposes.

e. Recording Secretary shall be responsible for writing the minutes of all meetings and providing for the retention and safekeeping of all documents pertaining to the fund including all gift instruments.

- C5.05.03. The Endowment Fund Committee shall meet at least quarterly. The Endowment Fund Committee will conduct themselves in such a manner that no member shall personally benefit from the actions or decisions of the committee. The Endowment Fund Committee may engage the services of a professional investment manager, the expense of such service shall come from the proceeds of the Endowment Fund and shall engage in a periodic review of the managing agent's actions and report their findings to the Congregation Council. The Endowment Fund Committee shall oversee the development of all promotional materials for the fund, accurately depicting the nature and use of the Endowment Fund, including the potential for the release or modification to the donor's designation in cases such as dissolution of the congregation (or emergencies).
- C5.05.04. The Endowment Fund Committee shall be responsible for creating an expenditure policy that provides for the preservation of the funds in perpetuity, shall make recommendations to the Congregation Council on expenditure of the funds, honoring all designation of funds outlined in the gift instruments, shall manage the fund with regard to current economic conditions and provide for any possible effects on the fund because of inflation or deflation, will determine the expected return from investments, will make recommends to the Congregation Council when and with what frequency disbursements should occur during the fiscal year, and shall engage in a yearly review of the expenditure policy.
- C5.05.05. The Endowment Fund Committee shall be responsible for creating an investment policy that provides for the general economic conditions and any possible effects of inflation or deflation. The Endowment Fund Committee shall determine the role of each investment within the investment portfolio as a whole, shall determine the total expected return from income and appreciation of the investments, shall provide for the diversification of investments, shall provide for the perpetuity of the fund, shall provide for the investment of funds in good faith and with the consistent care of a prudent person, and shall provide for the yearly review of the investment policy.
- C5.05.06. The Endowment Fund Committee shall develop a standardized gift instrument to be used in the congregation when accepting donations to the Endowment Fund. The gift instrument shall offer the donor the option of directing their gift for designated or undesignated purposes. It shall make clear that upon the signature of the donor that the donor understands and agrees that under certain circumstances (such as emergencies declared by the Congregation Council or) as defined in this constitution's provisions, bylaws, or continuing resolutions (C7.01.) the funds that have been designated may be released or modified from such designations. The standardized gift instrument form shall be reviewed by the Endowment Fund Committee on a yearly basis and updated as needed. All completed gift instrument documents by donors shall be kept in a secure location.
- C5.05.07. The Congregation Council, after reviewing the recommendations made by the Endowment Fund Committee, shall have the final decision as to when Endowment Funds shall be disbursed and where the funds shall be spent, honoring all donor designations. This congregation shall provide for a yearly audit of the Endowment Fund and shall maintain crime and dishonesty bonding insurance coverage for the Endowment Fund Committee.