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# Bethlehem Lutheran Church

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## Investment in Ministries Fund Policy

# BETHLEHEM LUTHERAN CHURCH INVESTMENT IN MINISTRIES FUND POLICY

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## **I. PURPOSE OF FUND**

- A. The Investment in Ministries Fund, an Endowment Fund of Bethlehem Lutheran Church, (“the Fund”) is an account that holds funds as defined in the Constitution section C5.05.04. The Fund seeks to generate stable and consistent growth over the long term. Moreover, the principal of the fund is expected to grow over time from additional gifts and investment returns. This document outlines the overall structure for the Fund to include who is responsible for making decisions about the Fund and procedures for distribution. It is the intent of this congregation that distributions shall be made primarily from the accumulated growth of the Fund, as defined by Section III, and as reported by the investment manager. The principal of the Fund shall only be distributed through dissolution of the Fund.
- B. The purpose of the Fund is to support needs and people beyond the walls of Bethlehem Lutheran Church.
- 1) The Fund may not be used for annual church operations such as staff compensation, office supplies, utilities, etc.
  - 2) The fund is to support or benefit people/ministries outside of Bethlehem Lutheran Church's membership.
  - 3) No loans shall be made from Fund assets.

## **II. GOVERNANCE**

- A. This document is regulated by this congregation’s constitution.
- B. Members of the Committee shall be nominated by the Finance Committee and approved by Congregation Council. (*Constitution/Bylaws C5.05.01*)
- C. The Committee shall be responsible for encouraging new gifts to the Fund through education and promotion. The Committee may use the services of the

ELCA Foundation Regional Gift Planner in assisting members with the best way to include the Fund in their current giving and estate plans. (*Constitution/Bylaws C5.05.02*)

- D. The Committee shall provide an annual report of its activities to the congregation at the Annual Meeting. The Committee shall meet on a schedule to be determined by the Committee and shall record minutes of all meetings. As requested, the Committee shall provide periodic written reports to Congregation Council and the Finance Committee. (*Constitution/Bylaws C5.05.05*)
- E. All of the Fund's transactions representing contributions, distributions, and investments shall be subject to review and audit as part of the annual financial audit process and carried out by the Audit Committee. (*Constitution C13.03*)
- F. All decisions regarding gift acceptance are governed by the BLC Gift Policy and the Receipts Policy.
- G. The Committee shall inform Missions & Social Concerns Committee and Congregation Council of distributions to be made from the Fund.

### **III. INVESTMENT ADMINISTRATION AND MANAGEMENT**

- A. The Committee may not engage members of the congregation to serve as advisors to the Committee to provide professional counseling on investments or legal matters.
- B. No member of the Committee shall personally manage the investments of the Fund but rather the Committee shall use professional providers to manage the Fund assets. The Fund shall be invested through any of the following:
  - 1. ELCA Ministry Growth Fund (formerly known as ELCA Endowment Pooled Trust – Fund A)
  - 2. ELCA Mission Investment Fund
  - 3. FINRA Registered Investment Advisor
  - 4. SEC Broker Dealer
  - 5. Any successor or additional investment vehicles offered by the ELCA Foundation

⊖ Differentiation of assets within the Fund:

- a. Contributed Funds - the investment or cost basis, including all contributions and gifts made to the Fund which shall be permanently restricted and will remain in perpetuity.
- b. Gain/Growth – the amount an investment or asset grows in value over time, above the principal amount, regardless of whether the investment is reinvesting its growth or distributing it.
  1. Investment gain is not counted as or recalculated as principal and therefore it is available to be distributed as per the bylaws of this congregation. (*Constitution/Bylaws C5.05.03*)

#### **IV. DISTRIBUTION GUIDELINES**

The objective for management of the Fund is to achieve long term growth in order to allow for regular distributions in support of missions outside of the walls of BLC. Distributions are to be made only from gain/growth from the money invested and are expected to be no more than 4% of the prior year Fund balance.

All distributions must be approved by Council before being communicated to the Missions & Social Concerns Committee for disbursement. If a withdrawal is made from the Fund in a given year, BLC shall make at least (1) award to an external mission or ministry.

#### **V. DISTRIBUTION PROCESS**

- A. To propose a ministry or mission for consideration of support through the Fund, proposals shall be submitted in writing (hard copy or electronically) to the Missions & Social Concerns Committee through the Church Office or at [office@blcfairport.org](mailto:office@blcfairport.org).
- B. Missions & Social Concerns Committee will review all proposed external ministries and missions and submit a written recommendation to the Congregational Council.
- C. The Congregational Council will approve, modify, or reject the recommendation from Missions & Social Concerns Committee.

D. If approved by the Congregational Council, the IMF award will be made via check to the approved ministries. Missions & Social Concerns Committee will determine how best to deliver the check to the approved ministry (or ministries).