

- - - Investment in Ministries Fund Policy - - -

Approved by Council on March 17, 2022

BETHLEHEM LUTHERAN CHURCH INVESTMENT IN MINISTRIES FUND POLICY

Bethlehem Lutheran Church
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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.

The Fund may not be used for annual church operations such as staff compensation, office supplies, utilities, etc.

The fund is to support or benefit people/ministries outside of Bethlehem Lutheran Church's membership.

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/BylawsC5.05.01*)

- 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
- C. 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.
- 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.

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

- - - Investment in Ministries Fund Bylaws - - -

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INVESTMENT IN MINISTRIES FUND BYLAWS

- C5.05.01.** The Investment in Ministries Committee (Committee) is responsible for oversight of the Investment in Ministries Fund (Fund).
- a. The Committee shall be a sub-committee of the Finance Committee.
 - b. Members of the Committee shall be nominated by the Finance Committee and approved by Congregation Council.
 - c. The administration and management of the Fund shall be lodged with the Committee.
- C5.05.02.** The Committee shall be responsible for and shall make recommendations to the Finance Committee and Congregation Council on:
- a. Encouraging new gifts to the Fund through education and promotion.
 - b. Selecting and/or changing an investment manager for the Fund.
 - c. Employing or engaging, as needed, advisors, including but not limited to accountants, attorneys, insurance underwriters, investment counselors, other persons for the purpose of providing advice to the Committee.
 - d. Authorizing payment of fees by the Fund including but not limited to investment, legal, and administrative fees.
- C5.05.03.** Withdrawals from the Fund for mission and ministry support shall be as follows:
- a. The Committee shall request withdrawals from the Fund as needed to accomplish the mission initiatives of the Fund and as described in the Investment in Ministries Fund Policy.
 - b. No loans shall be made from Fund assets.
- C5.05.04** The purpose of the Fund is to support needs and people beyond the walls of Bethlehem Lutheran Church.
- a. The Fund may not be used for annual church operations such as staff compensation, office supplies, utilities, etc.
 - b. The fund is to support or benefit people/ministries outside of Bethlehem Lutheran Church's membership.
 - c. No loans shall be made from Fund assets.

C5.05.05 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.

C5.05.06 Committee members shall not be liable for any losses that may be incurred upon the investments of the assets of the Fund except to the extent such losses shall have been caused by willful misconduct or self-dealing. Members of the Committee shall be covered under this congregation's insurance program and indemnified pursuant to Chapter 19 of this congregation's constitution.

C5.05.07 Committee members shall not engage in acts of self-dealing, including but not limited to, providing services to the Fund for a fee and engaging in transactions in which they have a direct or indirect financial interest.

C5.05.08 The Fund is property of the Congregation.

C5.05.09 Details regarding the operation of the Committee and the Fund shall be set forth in an Investment in Ministries Fund Policy developed by the Committee and approved by the Congregation Council.

- - - Investment in Ministries Fund Resolution - - -

Approved by BLC Congregation on Feb 17, 2022

Approved by Council on August 19, 2021

BETHLEHEM LUTHERAN CHURCH INVESTMENT IN MINISTRIES RESOLUTION

Whereas, Christian stewardship involves the faithful management of all gifts God has given to us – the created world, the Gospel, life, time, abilities, and money – including accumulated, inherited, and appreciated resources; and

Whereas, the biblical principle of gratitude for God’s blessings, to return to God a portion of the gifts God has first given to us, it is both a privilege and an appropriate response in all times and circumstances; and

Whereas, Christians can give to the work of the church through all types of assets and financial accounts and instruments;

Whereas, it is the desire of Bethlehem Lutheran Church to encourage, receive and administer these gifts in a manner consistent with the loyalty and devotion to our Lord in accordance with the policies of this congregation, now

It is Resolved, that Bethlehem Lutheran Church hereby establishes a new and separate fund as the Investment in Ministries Fund, an Endowment Fund of Bethlehem Lutheran Church, and

It is Further Resolved, that the congregation shall be the overall steward of the Fund and shall delegate specific management functions as appropriate, and

It is Further Resolved, that the purpose, governance, administration and management of the Fund and the Investment in Ministries Committee will be established and defined by an endowment policy.

Approved by Council: 19-August-2021



Congregation Council President



Co-Pastor



Co-Pastor