

Model Language to Establish a Mission Endowment Fund

Sample provisions:

The following sample provisions are examples of the type of language that would be needed to establish a mission endowment fund and the duties for a mission endowment fund committee. The provisions assume that your congregation follows the protocol within the Model Constitution, specifically item C5.05. If a different format is used, feel free to use the same language, but adapt the format appropriately.

Bracketed language indicates optional language. For example, your congregation may choose to elect seven instead of five mission endowment fund committee members, five being shown in the sample language below. One of the elected members should also sit on the congregation council. Additionally, the [a] pastor should be an ex-officio member with voice and vote.

For more information click on this link: <http://www.elca.org/fo/>

Option 1: Create a bylaw:

PROCEDURE:

Required chapter 16 of the Model Constitution delineates the procedure for adopting a bylaw. Council must notify members of a proposed bylaw and its recommendation at least 30 days prior to a congregational meeting. The bylaw must be passed at a legally called meeting of the congregation with a quorum present by a majority vote of those voting members present and voting. The bylaw could establish the committee and its duties.

Bylaw of the mission endowment fund committee and its duties:

Pursuant to C5.05. of our constitution, the Congregation of _____ Lutheran Church, ___(city)___, ___(state)___, hereby establishes a committee and its guidelines to carry out the activities of a Mission Endowment Fund. The following bylaws shall be inserted in the constitution.

MODEL LANGUAGE:

A Mission Endowment Fund Committee of [five] voting members of this congregation shall be elected [at the Congregation's annual meeting] {or} [by the Congregation Council]. The term of office will be [three] years with the first slate of members serving staggered terms. Each year following the initial election, [two] members will be elected [with one elected every third year]. Members are

eligible for only two consecutive terms. [At all times at least [one] member of the committee shall serve on the Congregation Council. In addition to the elected members, the [a] pastor of the congregation shall be an ex-officio, with voice and vote, member of the committee.

The Treasurer of the congregation shall maintain the account of the Mission Endowment Fund [and serve as an ex-officio, without voice or vote, member of the committee.] The purpose of the committee shall be to implement the guidelines of the mission endowment fund. The duties of the Mission Endowment Fund Committee shall include the following:

- a. To fulfill the purpose of the Mission Endowment Fund, that is to provide annual distributions beyond the operating budget of this congregation to ministries as stated below:

[E X A M P L E 1]

- 1) Up to 40% for special projects within the local area wherein the congregation resides;
- 2) Up to 40% for special ministries within the New Jersey Synod, ELCA;
- 3) Up to 40% for ELCA Churchwide ministries;
- 4) Up to 20% for extraordinary programs/ministry initiatives within this congregation.

{or}

[E X A M P L E 2]

- 1) Minimum of 20% for outreach into the local community or synod as the Committee determines;
- 2) Minimum of 20% for ELCA Churchwide ministries as the Committee determines;
- 3) Minimum of 20% for extraordinary programs capital improvement or other ministry initiatives within this congregation;
- 4) Remaining 40% distributed through any of the above categories.

- b. To determine how the Fund assets will be invested, including the asset allocation. [The investment objective will be to provide long-term growth so the annual distribution will keep pace with inflation, i.e. the annual distribution will maintain its purchasing power.] [In any event, all investments shall be invested by outside investors such as in the ELCA Endowment Fund Pooled Trust and/or the ELCA Mission Investment Fund. No committee member shall invest the assets in a way that would

bring private inurement to that individual.] The committee shall report at least quarterly to the Congregation Council on any and all activity within the Fund. Current balance, additions, distributions and any other activity should be included with the report. Annual accounting and a report of ministries supported through the Fund shall be distributed to the Congregation at its annual meeting.

- c. To [make annual distributions.] {or} [begin making annual distributions once it reaches [\$100,000].] Annual distributions will be a percentage of the annual value of the Mission Endowment Fund balance, and may include interest and dividends received, realized gains, and/or unrealized gains. [If the Fund ever exceeds [\$500,000] in value on the [yearend] valuation date, the next year's distribution shall include a [10%] distribution of that [yearend] value in addition to the annual distribution.]
- d. To encourage gifts to the Mission Endowment Fund through education and promotion of the Fund. [The committee may use the services of the ELCA Foundation Regional Gift Planner in assisting members with the best way to include the Mission Endowment Fund in their current giving and estate plans.]
- e. To receive and celebrate gifts given for ministry through the Mission Endowment Fund [and maintain a permanent book of remembrance of donors to the Fund]. [[Ten percent] of each such gift will be distributed immediately beyond the operating budget of the Congregation. The remaining portion will be added to the Mission Endowment Fund.] The committee has the discretion to decline acceptance of a gift if deemed to be in the best interest of the Fund and the congregation.
- f. To respond to [Congregation][Congregation Council] request, under an unforeseen emergency situation, to use principal of the Fund to help the Congregation rectify an economically devastating situation.
- g. To accept undesignated gifts received by this Congregation, such as, but not limited to, bequests, life insurance proceeds and remainders from life income agreements. [[Ten percent] of each such gift will be distributed immediately beyond the operating budget of the Congregation. The remaining portion will be added to the Mission Endowment Fund.]”

Option 2: Adopt a continuing resolution:

PROCEDURE :

A continuing resolution can be adopted by the congregation council to establish a mission endowment fund committee. The same language as stated under *Option 1: Create a Bylaw* could be used here.