

## **ELKHART CHRISTIAN CHURCH PERMANENT ENDOWMENT FUND POLICY**

### **I. PURPOSE**

The primary purpose of the Permanent Endowment Fund of Elkhart Christian Church is to expand the witness and mission of Jesus Christ in the world, serving human needs in our community and around the world. It is not intended to compete with the regular annual giving of members, or to diminish the opportunities for responsible stewardship by present or future members.

All assets received by the Permanent Endowment Fund shall be considered permanent. Each year an amount will be spent from the Permanent Endowment Fund for ministry. For purposes of this document, the amount to be spent annually shall be:

The fund's income. (Income is defined by state law.) In some states and in cases where the Permanent Endowment Fund is held by a Trust, the Trust may have the power to define "income".

### **II. TYPES OF GIFTS**

Permanent Endowment Funds are not memorial funds, reserve funds or building funds. A separate policy governs these gifts.

Permanent Endowment Fund - Designated gifts and bequests to this fund, and all undesignated bequests will be placed in this fund. The use of the Fund will be directed to support total mission and ministries of the congregation, including capital needs, debt reduction, special programs and projects in the areas of Christian education, outreach and creative ministries.

Gifts to a congregation's Permanent Endowment Fund come in a variety of forms, including stocks, bonds, real estate, tangible property and cash. All bequests and gifts received in a form other than cash will be converted to cash at its fair market value as soon as practical. On some rare occasions, a church may want to refuse a gift or bequest to its Permanent Endowment Fund. This should be done by the Church Board upon the recommendation of the Permanent Endowment Fund Committee members.

Gifts designated for the Permanent Endowment Fund shall be considered permanent and therefore cannot be spent. Income from the Permanent Endowment Fund will be spent for ministry.

Undesignated gifts in the form of bequests, the residual value of charitable trusts and charitable gift annuities, and life insurance shall be the property of the Permanent Endowment Fund.

### **III. PERMANENT FUND COMMITTEE MEMBERS:**

The 5 persons will be: the Stewardship Committee Chairperson, the Treasurer of the Board, and 3 at-large members. The at-large committee members will be selected by the board chair and approved by the church board and will serve two-year terms but only be re-elected for one

additional term. An at-large member cannot be re-elected for a third consecutive term, but may be elected after a one-year break in service. The Chairperson of the Board and the Minister of the congregation will serve as a non-voting, ex-officio member of the committee. The committee shall select one of its members to serve as their chairperson.

The Permanent Endowment Fund Committee will be responsible, in partnership with the Stewardship Committee, for developing a planned giving program to educate the congregation about the Memorial and Permanent Endowment Funds and the importance of the stewardship of accumulated resources.

#### IV. MANAGEMENT

The responsibilities of the Permanent Endowment Fund committee members will be to:

- A. Meet quarterly during the months of Feb, May, Aug. and Nov.
- B. Provide a written annual report to the Church Board and Congregation, which shall include a list of new gifts, received, investment transactions, and amount spent for ministry, and total value of the Permanent Endowment Fund at year-end.
- C. Allocate Permanent Endowment Fund spending to the Stewardship and Finance Department of the congregation annually for expenditure according to Item V. Annual Spending for Ministry. The Permanent Endowment Fund Committee shall not have the responsibility for the spending policy of the Permanent Endowment Fund.
- D. Invest the corpus of the Permanent Endowment Fund, subject to confirmation of the Church Board. It is recommended that an agency of the Christian Church (Disciples of Christ) such as the Board of Church Extension or Christian Church Foundation, be considered to manage all or part of the Permanent Endowment Fund.

#### V. ANNUAL SPENDING FOR MINISTRY:

Spending from unrestricted funds will be as follows:

- A. 30% will be spent according to the recommendation of the Stewardship Committee with the confirmation of the Church Board. Consideration will be given to support special programs and creative ministries, or to enhance Christian education opportunities. Support to the operational budget may never represent an amount greater than 20% of the total operational budget.
- B. 30% will be designated for outreach causes and transferred to the Outreach Committee for expenditure. These funds will not be considered as part of the regular budget expenditure for outreach causes. The Outreach Committee will report to the Church Board within six months concerning these expenditures.
- C. 30% will be designated for retirement of out-standing debt(s) on congregational properties. If the congregation has no debt, then this 30% will be distributed according to Items 1

and 2 above, or directed to the property maintenance fund to meet future capital needs.

D. 10% will be given to regional programs and causes, including a direct donation to the regional office.

#### VI. AMENDING PROCEDURES:

The policy may be amended by a 3/4 majority vote of the Church Board at two successive meetings, upon published written notice of proposed changes to the board members at least two weeks prior to the first meeting. Reasons to amend may include but are not limited to catastrophic events such as earthquakes, fires or floods.

#### VII. TERMINATION:

In the event that Elkhart Christian Church should terminate its ministry or cease to be affiliated with the Christian Church (Disciples of Christ), the assets of the Permanent Endowment Fund shall be transferred to the Christian Church Foundation, Inc., of the Christian Church (Disciples of Christ) with instructions concerning future spending.

### APPENDIX

#### GLOSSARY OF TERMS

Bequest: a gift given thru a will.

Undesignated gift: a gift that is not designated by the giver to go into a particular fund.

Special gift: a gift given for a special purpose.

Permanent Endowment Fund: see section I.

Charitable trust: a deferred giving instrument.

Charitable gift annuity: a deferred giving instrument.

Life insurance: a type of insurance which pays a monetary sum to the beneficiary of the policy upon the death of the named insured.

Sinking fund: an account drawn upon when general fund balance gets low.

Reserve fund: a savings fund designated for a specific purpose, such as the Property Maintenance Fund.

Honor gift: a gift given in honor of a person not deceased.

Memorial gift: a gift given in memory of a deceased person.

Undesignated bequest: a gift given thru a will to the church that is not designated to go into a particular fund.

Designated bequest: a gift given thru a will to the church that is designated to go into a particular fund.

Corpus: The principal amount as distinguished from the interest amount.

Approved by Church Board 2/12/2003