

SOUTH ELKHORN CHRISTIAN CHURCH ENDOWMENT FUND POLICY

Section I. PURPOSE

The primary purpose of the South Elkhorn Christian Church Endowment Fund, or simply the Endowment Fund, 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.

Section II. TYPES OF GIFTS

Unless otherwise specified by the donor, all unrestricted end-of-life gifts received by the church will be added to the South Elkhorn Christian Church's Endowment Fund and be governed by this policy. Such gifts may come various forms including, but not limited to, bequests, the residual value of charitable trusts and charitable gift annuities, life insurance, and other such end-of-life gift instruments.

All unrestricted assets received by the Endowment Fund shall be considered permanent. Donor-restricted gifts will be held and accounted for separately from congregationally governed permanent funds.

For purposes of definition, restricted gifts are: When the donor specifies (1) the purpose for which a gift should be used or (2) that the gift should be held to generate income, that gift shall be recorded as restricted by the congregation. The congregation is legally bound to use or to hold restricted gifts in accordance with the donor's instructions. Unrestricted gifts, also called outright gifts, are received with no donor requirements on how they must be used.

Gifts to the Endowment Fund may come in a variety of forms, including stocks, bonds, real estate, tangible property and cash. All unrestricted bequests and gifts received in any form other than cash will be converted to cash at its fair market value as soon as practical. On some rare occasions, the congregation may want to refuse a gift or bequest to its Endowment Fund. This decision will be made by the Cabinet upon recommendation of the Endowment Fund Trustees.

All gifts designated for the Endowment Fund shall be considered permanent and, therefore, cannot be spent. Only the income from such Endowment Funds can be spent for ministry as detailed in Section IV. Endowment Funds do not include memorial funds, reserve funds or building funds. Separate policies govern those gifts.

Section III. ENDOWMENT FUND TRUSTEES

The South Elkhorn Christian Church Endowment Fund shall be managed by at least five

and no more than seven trustees, selected and appointed by the Elders of South Elkhorn Christian Church.

Terms of office shall be for three years.¹ Members may be re-elected one time, but may not serve more than six consecutive years. The senior minister, treasurer and Vice Moderator of the congregation will be ex-officio members without vote.

The responsibilities of the Endowment Fund Trustees will be to:

- A. Meet at least quarterly. They shall elect officers each year from the trustees. The officers shall be President, Vice President, Secretary/Treasurer.
- B. Receive, document and preserve the original gift language of each gift.
- C. Ensure that adequate record-keeping is maintained for donor-restricted gifts and that all donor restrictions are honored.
- D. Publicize the Endowment Fund to the congregation, sponsor planned giving seminars, contact prospective donors and promote other opportunities which will bring growth in the Endowment Fund.
- E. Recognize donors and honor those faithful stewards who have included the congregation in their end-of-life estate plans.
- F. Review the activity and performance of the Endowment Fund and any donor-restricted gifts and provide a written annual report to the Cabinet and Congregation. Such report shall include a list of new gifts received, investment transactions, amount spent for ministry, and total value of the permanent fund at year end.
- G. Distribute Endowment Fund income annually per the fund's spending policy as outlined in Item IV.B. The spending policy has been set by the congregation as part of this Endowment Fund policy.
- H. Invest the Endowment Fund, subject to confirmation of the Cabinet, and the donor restricted endowment funds in accordance with any donor restrictions. The Christian Church Foundation will manage all of the Endowment Fund and Donor-Restricted Funds.
- I. Faithfully consider making provisions in their own financial planning to provide a gift to the South Elkhorn Christian Church Endowment Fund.

Section IV.

ANNUAL SPENDING FOR MINISTRY

Each year the income from the Endowment Fund investments will be spent for ministry. Income is defined as 4% of the market value of the Endowment Fund.

- A. Gifts that have a purpose restriction will be spent according to the donor's instructions.
- B. Gifts that do not have a donor-specified purpose restriction will be spent as follows:
 1. 10% will be spent according to the recommendation of the Finance Committee with confirmation of the Cabinet. Support to the Operational

¹ For the initial term, elected members will serve either 1, 2 or 3 years to be determined by a blind draw.

Budget may never represent an amount greater than 20% of the total Operational Budget.

2. 50% 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 Cabinet within six months concerning these expenditures.
3. 30% will be designated for retirement of outstanding debt on South Elkhorn Christian Church Properties. If the church has no debt, then this 30% will be directed to a reserve fund to meet future capital needs.
4. 10% will be given to regional programs and causes, including a direct donation to the regional office.

Section V.

AMENDING PROCEDURES

The policy may be amended by a vote of 80% of the voting members of the Cabinet, following written notice of proposed changes to the Congregation and the Cabinet at least thirty days prior to the vote.

Section VI.

TERMINATION

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