



Trinity Lutheran Church
117 West King Street
East Berlin, PA 17316

Endowment Fund Policy

Approved by Church Council on February 11, 2021

Trinity Evangelical Lutheran Church
Endowment Fund Policy

1. Purpose – To establish procedures for management and safeguarding of Trinity’s Mission Endowment Fund established by Congregational vote and amendment to Trinity’s Constitution and By-laws in 2004.
 - 1.1. To provide funding for various charities and other benevolence needs as approved by the Endowment Committee and Council
 - 1.2. To preserve and grow the value of the Endowment Fund
2. Definitions
 - 2.2 Principal – Contributions by any person, business, charitable organization or by designation by Council that increases the base value of the endowment fund. Refer to Schedule 1 for a list of contributors comprising the principal as of the date of ratification of this policy.
 - 2.1. Dividends or Interest Income – Profits or gains to the overall value of the fund through investment earnings.
 - 2.2. Withdrawals – Reductions from the value of the fund for purposes of funding charitable contributions or other benevolent needs.
 - 2.3. Surplus – Value of the Endowment Fund over and above the principal.
 - 2.4. Capital Expenditures – Funds in excess of \$5000 required for acquisition and/or maintenance of land, buildings, physical property, and equipment.
3. Policy
 - 3.1. The Endowment Fund will be governed as specified in sections C5.05 and C5.05.01 of Trinity’s Constitution and By-laws. (Exhibit A).
 - 3.1.1. The Endowment Fund Committee will recommend actions affecting the fund (contributions to principal, change investments or withdraw funds for disbursement) and forward to Council through Finance Committee and ultimate approval by Council.
 - 3.2. Surplus available for withdrawal to be used for charitable contributions, benevolent needs or capital expenditures will be subject to the following:
 - 3.2.1. All requests for withdrawal must be recommended by the Endowment Committee and approved by Council.
 - 3.2.2. The amount available for withdrawal for any given fiscal year (January 1 – December 31) not to exceed the Surplus available will be determined by the Endowment Committee with review and approval by Finance Committee and Council.
 - 3.2.2.1. Use of the annual withdrawal amount for Trinity Capital Expenditures is limited to 10% of the withdrawal amount.
 - 3.2.2.2 All stipulations/conditions required by donors will be paid through surplus but will not be considered as part of the annual withdrawal amount. In the event there is no surplus available to pay the stipulations/conditions from the Endowment fund the costs to satisfy those stipulations will be paid from Trinity’s General Fund.
 - 3.3. Use of Endowment surplus for Trinity’s operating expenses is prohibited.
 - 3.4. Any requested withdrawals that would affect the principal will require approval by Congregational vote at a duly organized Congregational meeting.

Exhibit A

C5.05. This congregation shall have a mission endowment fund that will operate as specified in the congregation's bylaws. The purpose of the mission endowment fund is to provide for mission work beyond the operational budget of this congregation.

C5.05.01. Whereas, Ralph and Kathryn Eisenhart have bequeathed in 2004 to Trinity Evangelical Lutheran Church a generous gift of money, therefore, be it resolved that Trinity Evangelical Lutheran Church establish a Mission Endowment Fund to enhance the mission of the church. Distributions from

the Fund will extend God's work within the church, the community, and the world. A Mission Endowment Fund Committee consisting of at least three members will be appointed by the congregation council. The pastor and the president of the congregation council will be members of the committee. The term of office for the other committee members is three years; however, the first Fund members will serve abbreviated terms, having one new member appointed each year for the following three years. Members are eligible to serve only two consecutive terms. No disbursements shall be made which will affect the principal of the fund without a Congregation meeting. In honor of the benefactors, Ralph and Kathryn Eisenhart, altar flowers will be provided at least two Sundays each year.