

C5.05.2 Purpose and Objective

A.

Existing

The purpose of the fund is to complement and supplement the mission of Bethlehem Lutheran Church through grants that enhance the ongoing ministry of the congregation or develop new ministry and vision. While the congregation is expected to meet the church's operating budget with regular giving, the endowment fund offers another channel through which members can support ongoing ministries as well as encourage the development of new ministries. The purpose of the fund is to start or nurture mission activities not a part of the church's ongoing ministries. The fund is not to be used for the church's annual operating budget or for capital improvements, land acquisition and/or new construction.

Proposed

The purpose of the fund is to complement and supplement the mission of Bethlehem Lutheran Church through grants that enhance the ongoing ministry of the congregation or develop new ministry and vision. While the congregation is expected to meet the church's operating budget with regular giving, the endowment fund offers another channel through which members can support ongoing ministries as well as encourage the development of new ministries. The purpose of the fund is to start or nurture mission activities not a part of the church's ongoing ministries. The fund is not intended to be used for the church's annual operating budget or for capital improvements, land acquisition and/or new construction.

B.

In extraordinary circumstances – in which the fundamental and essential activities of the congregation are threatened with interruption by lack of funding – endowment funds (to the extent permitted by law) may be provided as a non-interest-bearing loan to help meet the short-term needs of the church's operating or capital budget.

Such a loan may be made only with the following provisions:

- The loan amount shall be no more than 30% of the total assets of the endowment fund, excluding any funds with restrictions in perpetuity
- The loan shall be approved by majority votes of the endowment committee, the Congregation Council, and the congregation at a duly called and conducted congregation meeting
- The loan shall be repaid to the fund in total, without interest, within two years of the transfer of funds to the operating budget. An extension to the repayment period may be granted by majority votes of the endowment committee, the Congregation Council, and the congregation

Rename existing B. to C.

C5.05.3 Organization and Administration

B.

Existing

Members of the committee shall serve two-year terms and be appointed by the Congregation Council and approved by a majority vote of the congregation at its annual meeting. Three of the members shall begin their terms in even-numbered years and the other two members shall begin their terms in odd-numbered years. Members may be re-appointed, and may serve a maximum of three consecutive terms. Vacancies on the committee shall be filled by the Congregation Council for a term lasting until the next annual Congregation Meeting, at which time the vacancy must be filled by majority vote of the congregation.

Proposed

The appointment of persons to fill full terms on the committee shall require approval by the Congregation Council and by a majority vote of the congregation at its annual meeting. Members of the committee shall serve two-year terms. Three of the members shall begin their terms in even-numbered years and the other two members shall begin their terms in odd-numbered years. Members may be re-appointed, and may serve a maximum of three consecutive terms, not including a partial term filled because of a vacancy. Vacancies on the committee shall be filled by the committee with the approval of the Congregation Council, for a term lasting until the next annual Congregation Meeting, at which time the vacancy must be filled by majority vote of the congregation.

C.

Existing

The committee shall meet at least four times annually. A quorum shall consist of three members. The committee may hold meetings by remote communication, including electronically and by telephone conference.

Proposed

The committee shall meet as needed, but no less than twice annually. A quorum shall consist of three members. The committee may hold meetings by remote communication, including electronically and by telephone conference.

C5.05.5 Distributions

B.
Existing

The committee may not approve expenditure of more than five percent (5%) of a fund's capital, except if the directives and restrictions of a gift or bequest require an expenditure greater than this limitation, or if the expenditure is approved by a majority vote of the congregation at a duly called and conducted congregation meeting.

Proposed

The committee, at its sole discretion, may spend all, some or none of the capital gains, interest, or other net earnings on its investments that may have accumulated during the previous fiscal year. In addition, the committee may approve in one fiscal year grants totaling up to five percent (5%) of total assets (not including the capital gains, interest or other net earnings described above). Expenditures totaling more than 5% of total assets must be approved by the Congregation Council and a majority vote of the congregation at a duly called and conducted congregation meeting. This limitation shall not apply if the directives and restrictions of a gift or bequest require an expenditure that differs from this limitation, in which case those requirements will be followed.

C5.05.5 Distributions

D. 3)

Existing

Scholarship fund: Scholarships for college and seminary students, and/or for continuing education for members of the congregation.

Proposed

Scholarship fund: Scholarships for college and seminary students, students of the Bethlehem Early Childhood Center, and/or for continuing education for members of the congregation or members of the church staff.

E.
Existing

Gifts, bequests and distributions (with the exception of grants for college, seminary or continuing-education tuition) are not intended to benefit any individual members or staff of Bethlehem Lutheran Church or persons related to or employed by any church members or staff. It is acceptable that an individual member of the congregation, or a relative of a member, may be

involved in an organization or activity that receives proceeds from the endowment fund. However, it is unacceptable that such a member or relative would receive any benefit, financial or otherwise, from the granting of such proceeds from the endowment fund.

Proposed

Gifts, bequests, and distributions (with the exception of grants for college, seminary, Bethlehem Early Childhood Center, and continuing-education tuition) are not generally intended to benefit any related party (that is, individual members of the congregation, or members of the staff of Bethlehem Lutheran Church, or persons related to or employed by any church member or staff member). It is acceptable that an individual member of the congregation, or a staff member, or a relative of a congregation member or staff member, may be involved in an organization or activity that receives proceeds from the endowment fund. However, such person(s) should not personally benefit financially from their involvement in the program. Recognizing the sensitive nature of related-party matters, any grants to related parties may be made after the proposal and all related-party relationships have been fully evaluated by the endowment committee and reviewed and approved by the Congregation Council.