

GRACE LUTHERAN CHURCH of APPLE VALLEY ENDOWMENT FUND

Distribution Policy

PURPOSE:

The Distribution of financial gifts, earnings of the Grace Endowment Fund, is the blessing of the Fund at work. Celebration of the Distribution promotes further interest in, and support for the Funds.

This policy provides guidelines and instructions to the Grace Endowment Fund Committee, the Congregational Council of Grace Lutheran Church, and applicants seeking gifts from the Grace Endowment Fund.

SCOPE:

Distribution of earnings of the Grace Endowment Fund will be governed by this policy throughout the application, selection, and distribution process.

POLICY:

1. **Grant Distributions:** All requests for grants from designated funds, and from the undesignated Grace Fund are reviewed by the Grace Endowment Committee. Recommendations are then presented to the Congregational Council for comment.
2. Upon receipt of the Congregational Council's comments on the recommendations, the Grace Endowment Committee shall determine the actual distribution, and report its decision to the Congregational Council and Church Financial Administrator
3. Consideration shall be given to causes which are new and different each year so that the same cause or recipient shall not be the beneficiary repetitively.
4. Grants from the designated funds are made annually to tax-exempt, not-for-profit charitable organizations or individuals in the areas of community social services, education, music, world missions, and/or youth.
5. Distributions from designated funds shall agree with donor's requests at the time of donation and/or as stated in the Grace Endowment Declaration.
6. Designated funds with a named recipient are granted based on the specific fund's earnings and given to the named beneficiary without an application. For example, Shirley L. Kindem Endowment for the Grace Choir goes directly to the Grace Choir.
7. Grant amounts from designated and unrestricted funds vary from year to year based on the fund's investment return and the nature and needs of the organizations that have applied.
8. Applications for grants are to be in writing or online and submitted to The Endowment Committee of Grace Lutheran Church before October 31st each year.
9. Causes and programs for the Committee to consider may be recommended by the Congregational Council through the advisory capacity of the council president, the pastors, associates in ministry, other staff personnel, committee chairpersons, and/or individual congregational members.
10. The Committee shall determine the annual distribution of the Endowment Fund based on the actual earnings on investments in each individual fund, plus actual income from any other form of property (at the latest appraised value) whether real or personal, tangible, or intangible, and/or domestic or foreign.
11. Earnings that are not distributed or encumbered are reinvested in the original fund.
12. The gift principal amount of all designated funds and the Grace Fund shall be retained.

13. The distributions from the Grace Endowment Fund shall occur annually and will be announced at the Annual meeting of the Congregation
14. Promotion of distribution opportunities shall be the responsibility of the Endowment Committee

GRANT DISTRIBUTION PROCESS

Application Procedures

Applications for grants from the Grace Endowment Fund must be in writing or completed online using the Gift Nomination Form.

Application Deadline: October 31st

1. Any member of the congregation of Grace Lutheran Church may nominate a candidate to be the recipient of a grant from the Endowment Fund.
2. Complete a GLC Gift Nomination Form, available on the GLC website under Endowment Committee, or in the church office.
3. Submit the request to a member of the Congregational Council, a pastor, or a member of the Endowment Committee of Grace Lutheran Church.
4. Each grant application is thoughtfully reviewed by the Endowment Committee and recommendations are presented to the Congregational Council. Grants are presented at the Annual Meeting of the Congregation.

Evaluation procedures:

- The Endowment Committee of Grace Lutheran Church determines the earnings to be distributed based on annual earnings of each fund, and following guidelines set forth in the Plan of Operation.
- Grant selections are made after consideration of the purpose of the grant, recipient's need, expected outcomes, and a majority of the Committee members voting, provided a quorum is present.
- The Endowment Committee is responsible for authenticating all applicants and verifying funds will be used as designated.
- It is the responsibility of the Endowment Committee to approve all grants made from the Grace Endowment Fund and present its recommendations to the Congregational Council for comment.

Distribution procedures:

- Distribution from the Endowment Fund is made by delivering a completed check or check request to the recipient, or the recipient's institution of higher learning in the case of an educational scholarship.
- Any unused funds will be returned to the original fund.

AMENDING THE DISTRIBUTION POLICY:

Any amendment to this Distribution Policy, which will change, alter, or amend the provisions of this Distribution Policy shall be approved in advance by a two-thirds (2/3) vote of the Congregation Council.

REFERENCES:

1. Grace Endowment Committee, October 2006

HISTORICAL RECORD:

1. Version 1: L. Lichty, April 16, 2007
2. Version 2: Endowment Fund Committee, June 19, 2012
3. Version 3: Endowment Fund Committee, November 15, 2022, council approval 01/10/2023