

GRACE LUTHERAN CHURCH OF APPLE VALLEY

ENDOWMENT COMMITTEE

Financial Secretary Guide

October 18, 2016

Version 1

1 INTRODUCTION

The Grace Lutheran Church Endowment Fund, as established in the Plan of Operation, is overseen by a committee of six members, one of which is designated as the Financial Secretary. The Financial Secretary shall work with the church's Accountant in maintaining accurate accounts for the Endowment Fund. The Accountant has the primary responsibility of maintaining records for the Fund investments in the ELCA Fund A (a diversified fund) and the Merchants Bank account (used as a placeholder for new gifts until invested in the Fund A), for writing checks when required for investments and expenses, and for communicating with the committee's Financial Secretary. The Financial Secretary shall maintain records of these investments which are divided into various funds; other records are maintained such as donor lists, grant distributions, special appeals, and other data as deemed necessary. The principal is never touched; only the earnings are distributed as grants.

2 PURPOSE

The purpose of this document is to provide a description of the duties of the Financial Secretary and to allow a smooth transition whenever new committee members begin their terms. A description of the Endowment Committee's accounts and a guide for updating these accounts is provided. The Endowment Fund accounts are maintained using Excel Spreadsheets.

3 SCOPE

A knowledge of Excel Spreadsheets is helpful but not required, especially if the outgoing Financial Secretary is available to assist the new secretary as needed. This document is not intended to provide a step-by-step instruction manual. Instead, the procedures given below are meant to be at a higher level since, in many cases, there may be more than one method of utilizing Excel for any given entry of data. For those individuals who only desire a high-level understanding of the spreadsheets, Section 4 will provide an overview without the need to read Section 5.

4 ENDOWMENT SPREADSHEETS OVERVIEW

An Excel spreadsheet consists of one or more sheets indicated by tabs. The sheet tabs may be hidden as data is accumulated (e.g., tabs for previous months or years). As described below, the primary spreadsheets which are used or updated by the Financial Secretary consist of: 1) Endowment Worksheet received from the Accountant, 2) Grace Endowment Fund Worksheet, 3) Endowment Grant Distributions, and 4) ELCA Pooled Trust Fund – Fund A. Other spreadsheets may be added in the future as needed.

4.1 Endowment Worksheet from Accountant

The Accountant shall provide the Financial Secretary with an Endowment Worksheet generally once per month, prior to the Committee Meeting on the third Tuesday of the month. This Worksheet consists of two tabs: 1) Endowment Worksheet and 2) Balance Sheet-Endowyyyy (e.g., Balance Sheet-Endow2016). The Financial Secretary shall use this data to update the Committee's spreadsheets. The Accountant shall also provide quarterly statements from the ELCA Fund.

4.1.1 Endowment Worksheet Tab

The Endowment Worksheet Tab consists of an ongoing list of transactions including “Endowment Expenses” (the original grant and deductions for expenses incurred by the Endowment Committee); “Other Principal” (individual gifts, memorials, special appeals, changes in market value, and transfers between Merchants and the ELCA Fund); and “Endowment Interest” (Merchants interest, ELCA Fund dividends, and gifts (grants) given to various organizations both within and outside of Grace; and cumulative totals for the Merchants and ELCA Fund accounts which result in total equity).

4.1.2 Balance Sheet-Endowyyyy Tab

The Balance Sheet-Endowyyyy Tab consists of a tabular list of “Assets” and “Liabilities and Equities” by month for the current year. The amounts in the Merchants Bank account and the ELCA Fund A account are shown. The data is obtained from the Accountant’s monthly spreadsheet.

4.2 Grace Endowment Fund Worksheet mm-dd-yy

The Grace Endowment Fund Worksheet mm-dd-yy consists of several tabs for maintaining data from the Accountant. This includes a copy of the Accountant’s worksheet, balance sheet, interest and dividends, and data broken down into the various funds which are a part of the overall endowment fund. Other tabs track donor gifts, special appeals, and will designations. This worksheet is generally updated monthly or whenever new data is received from the Accountant.

4.2.1 Endowment Worksheet mm-dd-yy Tab

The Endowment Worksheet mm-dd-yy Tab is a copy of the Endowment Worksheet Tab received from the Accountant (see paragraph 4.1.1) each month or as required. Previous monthly tabs can be hidden but are available to be displayed if desired. The data for the remaining tabs (except for will designations) are obtained from this tab.

4.2.2 Balance Sheet-Endowyyyy Tab

The Balance Sheet-Endowyyyy Tab is created from the Accountant’s Balance Sheet-Endowyyyy Tab and thus all data are identical; this provides a month-by-month compilation of total assets and liabilities.

4.2.3 Interest & Dividends Tab

The Interest & Dividends Tab contains an ongoing list of interest received from Merchants Bank and dividends received from the ELCA Fund. Also included are any expenses deducted (such as new checks) and disbursements for the annual grants.

4.2.4 Kindem Choir Fund Tab

The Kindem Choir Fund Tab consists of an ongoing list of gifts given to the Shirley M. Kindem Choir Fund, quarterly changes in market value of that portion of the ELCA Fund allocated to this fund, and any transfers between this fund and the Grace Fund. Earnings from this fund are distributed to the Grace choir.

4.2.5 Lindell Music Fund Tab

The Lindell Music Fund Tab consists of an ongoing list of gifts given to the Allan Lindell Memorial Music Fund, quarterly changes in market value of that portion of the ELCA Fund allocated to this fund, and any transfers between this fund and the Grace Fund. Earnings from this fund are used to support any type of music ministry.

4.2.6 360 Communities Fund Tab

The 360 Communities Fund Tab consists of an ongoing list of gifts given to this fund, quarterly changes in market value of that portion of the ELCA Fund allocated to this fund, and any transfers between this fund and the Grace Fund. Earnings from this fund are distributed to the 360 Communities local charity.

4.2.7 Heidi Ness Fund Tab

The Heidi Ness Fund Tab consists of an ongoing list of gifts given to this fund, quarterly changes in market value of that portion of the ELCA Fund allocated to this fund, and any transfers between this fund and the Grace Fund. Earnings from this fund are used to support any type of youth ministry.

4.2.8 Olson World Mission Fund Tab

The Olson World Mission Fund Tab consists of an ongoing list of gifts given to the Marcella Olson World Mission Fund, quarterly changes in market value of that portion of the ELCA Fund allocated to this fund, and any transfers between this fund and the Grace Fund. Earnings from this fund are used to provide assistance to any world missions supported by Grace and the ELCA.

4.2.9 Jensen Youth Fund Tab

The Jensen Youth Fund Tab consists of an ongoing list of gifts given to the Earl and Joanne Jensen Youth Fund, quarterly changes in market value of that portion of the ELCA Fund allocated to this fund, and any transfers between this fund and the Grace Fund. Earnings from this fund are used to support any type of youth mission trips.

4.2.10 Alexander Hagen Fund Tab

The Alexander Hagen Fund Tab consists of an ongoing list of gifts given to the In Memory of Alexander Hagen Fund, quarterly changes in market value of that portion of the ELCA Fund allocated to this fund, and any transfers between this fund and the Grace Fund. Earnings from this fund are currently undesignated.

4.2.11 Grace Fund Tab

The Grace Fund is the largest fund and contains undesignated gifts to the Grace Endowment Fund. Occasionally, this fund is used to hold a gift until a designated fund is created. Earnings from the Grace Fund can be distributed within Grace Lutheran Church or to charitable organizations outside of Grace.

4.2.12 Summary Tab

The Summary Tab contains a summary of all funds within the Endowment Fund. The data are automatically obtained from the individual fund tabs and include an ongoing compilation of money in Merchants (from gifts) not yet transferred to the ELCA Fund or not yet given as grants; ELCA Fund totals (from dividends, changes in market value, and grant distributions); a total of the Merchants and ELCA Fund accounts; and the percentage of the total for each fund. This tab also includes the total amount of interest currently in the Merchants Bank account. The totals must match those in the Balance Sheet Tab. In addition, the year-to-date (fourth quarter of the previous year plus first, second and third quarter as available) amount of ELCA Fund dividends is provided along with the percentage of the dividends for each fund. Quarterly dividends are not available until five or six weeks after the end of each quarter.

4.2.13 All Saints Appeal Tab

The All Saints Appeal Tab contains an ongoing list of donors, dates, and amounts given for the annual All Saints appeals for each year when an appeal is made.

4.2.14 Donors Tab

The Donors Tab is a list of every gift given to the Endowment Fund. The list includes the donor(s), gift date, and amount. If the gift is for a specific fund, that fund is noted; otherwise, the gift is placed in the Grace Fund. Each item in the Donor Tab has also been previously added to the appropriate fund tab. An indication is provided when a thank-you note has been sent to the donor(s) at least once per year.

4.2.15 Donor Table Tab

The Donor Table Tab maintains a cumulative accounting of gifts given by every donor. The total amount for each donor for a specific cause is tracked so that it can be determined when the donor should have a leaf, dove, or rock placed on the Endowment Giving Tree. (Gifts from a donor for different causes are entered separately, e.g., a one-time gift in memory of someone.) The totals for the Donors Tab and the Donor Table Tab should always be equal.

4.2.16 Will Designations Tab

This tab contains a list of the members of Grace who have a Letter of Intent on file or have indicated that they have included Grace in their will and/or estate plan.

4.3 Endowment Grant Distributions

The Endowment Grant Distributions spreadsheet consists of an annual listing of grants given to charitable organizations outside of Grace and to groups within Grace.

4.4 ELCA Pooled Trust Fund – Fund A mm-dd-yy

The ELCA Pooled Trust Fund – Fund A mm-dd-yy spreadsheet contains an ongoing set of data which describes investment activity within the Fund A. This spreadsheet consists of the Fund Values Tab, the Book Value Tab, and tabs for each year, and is usually updated once every quarter.

4.4.1 Fund Values Tab

The Fund Values Tab consists of the date and transaction type (additional investments and unrealized gains/losses) for each of the funds within the overall endowment fund. The percentages and balances for each fund are calculated quarterly or when necessary using data obtained from the ELCA Fund A. The long term dividends are tracked and calculated for each fund. The total for this tab must match the total in the Balance Sheet Tab for that quarter.

4.4.2 Book Value Tab

The Book Value Tab is an ongoing account of all investments made to the ELCA Fund A and all reinvested dividends. The total of investments and dividends less the grants paid from the dividends is defined as the Total Book Value. The Market Value of a given date is the amount of money that would have been received if all the shares had been sold on that day. The Unrealized Gain/Loss is the difference between the Market Value and the Total Book Value. The percentage gain is then calculated. The number of shares times the price per share (obtained from the ELCA Fund quarterly statement) is calculated and should equal the Market Value calculated above.

4.4.3 20xx Tabs

A tab is created for each year; each of these tabs (e.g., 2016) contains a month-by-month summary of the beginning balance, additions, dividends, unrealized gains/losses, and distributions. This results in an ending balance which becomes the beginning balance for the next month. The year-to-date ending balance must equal the total from the Fund Values Tab.

5 ENDOWMENT SPREADSHEETS UPDATE

The paragraphs below provide a guide for updating the Endowment Committee spreadsheets, using data from the Accountant's Endowment Worksheet. The primary spreadsheets to be updated by the Financial Secretary consist of 1) Grace Endowment Fund Worksheet, 2) Endowment Grant Distributions, and 3) ELCA Pooled Trust Fund – Fund A.

5.1 Grace Endowment Fund Worksheet

The Grace Endowment Fund Worksheet is the largest of all the spreadsheets. All of the data (except for Will Designations) is derived from the spreadsheet received at least monthly from the Accountant. When the Accountant's spreadsheet is received, it should be renamed "Endowment Worksheet mm-dd-yy Joni" so that a separate copy is always maintained. Then, as explained in the next paragraph, the Accountant's worksheet is also added to the most recent Grace Endowment Fund Worksheet.

5.1.1 Endowment Worksheet mm-dd-yy Tab

The Endowment Worksheet mm-dd-yy Tab is an exact copy of the Accountant's spreadsheet. Keeping in mind that the Accountant's spreadsheet contains two tabs (Endowment Worksheet and Balance Sheet-Endow 20xx), the Endowment Worksheet must be copied into the current Grace Endowment Worksheet mm-dd-yy. This is done by having both spreadsheets on the desktop. Right-click on the Accountant's Endowment

Worksheet tab and click on "Move or Copy." Check "Create a Copy" and move the Endowment Worksheet tab to the Grace Endowment Worksheet mm-dd-yy spreadsheet, before the most recent Endowment Worksheet mm-dd-yy tab. Then, in the Grace Endowment Worksheet mm-dd-yy, right-click on the tab moved from the Accountant's spreadsheet and rename the tab "Endowment Worksheet mm-dd-yy" where mm-dd-yy is the current date. At this point, the three most recent monthly tabs are shown. Select the oldest tab, click on Format, and then Hide. In this way, only the two most recent tabs are displayed; however, all other mm-dd-yy tabs exist in the spreadsheet but are hidden. Do not perform a Save; instead, click on "Save As" to save the spreadsheet using the current date. Thus, all previous monthly spreadsheets are preserved with unique names containing the month, date, and year they were created. The most recently created spreadsheet now becomes the working spreadsheet in which the remaining data is entered as described in the following paragraphs.

5.1.2 Balance Sheet-Endowyyyy Tab

The Balance Sheet-Endowyyyy Tab is created once per year and contains a column for each month beginning with December of the previous year. This tab consists of the "Assets" and "Liabilities and Equity" and is updated monthly using data from the Accountant's Balance Sheet Tab. The Assets equals the sum of the Merchants Bank total (1120) and the ELCA Fund total (1123). The Equity equals the sum of any monthly expenses (3201), the principal held at Merchants and in the ELCA Fund (3202), and the interest held at Merchants and reinvestment in the ELCA Fund (3203). The monthly totals of "Assets" and "Liabilities and Equity" must be equal and also equal to the Accountant's data. Therefore, the updating merely consists of inserting the Accountant's monthly data into the format used by the Endowment Committee.

5.1.3 Interest & Dividends Tab

The Interest & Dividends Tab is an ongoing set of data consisting of each transaction, date of transaction, the amount of the transaction entered into either the # 1120 Merchants column or the ELCA Foundation column, and total of the two at the bottom of the tab. Transactions are Merchants interest, ELCA Fund quarterly income distributions, transfers between the two accounts, and gifts (grants) given annually from ELCA Fund earnings. The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row "Total #3204 Endowment Interest" line. Insert the required row(s) at the end of the data and before the "Total Endowment Dividends & Interest" row of the Interest & Dividends Tab and then enter the new data (copy and paste can be used). The grant amounts are highlighted in yellow. All rows containing "Interest & Dividends transferred to Merchants account" are highlighted in rose. Ensure that the formulas for the sums of each column are correct so that the new data added is included in the totals. The "as of" date in Row 3 is automatically obtained from the Grace Fund Tab. The totals of the two columns are used by the Summary Tab described later. As a way of double-checking the data, columns G and H are used to repeat the data (except for interest and dividends transferred to Merchants). Whenever new rows are entered, ensure that the formulas for the sums in Columns G and H are updated as well as the formula which sums the totals of G and H in Column I. Verify that the total in Column I matches the total in Column F.

5.1.4 Kindem Choir Fund Tab

The Kindem Choir Fund Tab is updated whenever there is new data to be entered for this fund such as a new gift, quarterly changes in market value, transfers from Merchants to the ELCA Fund, and any distributions (grants). The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row "Total #3203 Other

Principal” line. Insert the required row(s) into the tab and enter the new data into the appropriate column. The Copy and Paste functions can be utilized where appropriate. Ensure that the totals for all columns are updated. The “as of” date in Row 3 is automatically obtained from the Grace Fund Tab. The summary data for this fund is automatically entered into the Summary Tab.

5.1.5 360 Communities Fund Tab

The 360 Communities Fund Tab is updated whenever there is new data to be entered for this fund such as a new gift, quarterly changes in market value, transfers from Merchants to the ELCA Fund, and any distributions (grants). The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row “Total #3203 Other Principal” line. Insert the required row(s) into the tab and enter the new data into the appropriate column. The Copy and Paste functions can be utilized where appropriate. Ensure that the totals for all columns are updated. The “as of” date in Row 3 is automatically obtained from the Grace Fund Tab. The summary data for this fund is automatically entered into the Summary Tab.

5.1.6 Lindell Music Fund Tab

The Allan Lindell Memorial Music Fund Tab is updated whenever there is new data to be entered for this fund such as a new gift, quarterly changes in market value, transfers from Merchants to the ELCA Fund, and any distributions (grants). The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row “Total #3203 Other Principal” line. Insert the required row(s) into the tab and enter the new data into the appropriate column. The Copy and Paste functions can be utilized where appropriate. Ensure that the totals for all columns are updated. The “as of” date in Row 3 is automatically obtained from the Grace Fund Tab. The summary data for this fund is automatically entered into the Summary Tab.

5.1.7 Heidi Ness Fund Tab

The Heidi Ness Fund Tab is updated whenever there is new data to be entered for this fund such as a new gift, quarterly changes in market value, transfers from Merchants to the ELCA Fund, and any distributions (grants). The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row “Total #3203 Other Principal” line. Insert the required row(s) into the tab and enter the new data into the appropriate column. The Copy and Paste functions can be utilized where appropriate. Ensure that the totals for all columns are updated. The “as of” date in Row 3 is automatically obtained from the Grace Fund Tab. The summary data for this fund is automatically entered into the Summary Tab.

5.1.8 Olson World Mission Fund Tab

The Olson World Mission Fund Tab is updated whenever there is new data to be entered for this fund such as a new gift, quarterly changes in market value, transfers from Merchants to the ELCA Fund, and any distributions (grants). The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row “Total #3203 Other Principal” line. Insert the required row(s) into the tab and enter the new data into the appropriate column. The Copy and Paste functions can be utilized where appropriate. Ensure that the totals for all columns are updated. The “as of” date in Row 3 is automatically obtained from the Grace Fund Tab. The summary data for this fund is automatically entered into the Summary Tab.

5.1.9 Jensen Youth Fund Tab

The Jensen Youth Fund Tab is updated whenever there is new data to be entered for this fund such as a new gift, quarterly changes in market value, transfers from Merchants to the ELCA Fund, and any distributions (grants). The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row "Total #3203 Other Principal" line. Insert the required row(s) into the tab and enter the new data into the appropriate column. The Copy and Paste functions can be utilized where appropriate. Ensure that the totals for all columns are updated. The "as of" date in Row 3 is automatically obtained from the Grace Fund Tab. The summary data for this fund is automatically entered into the Summary Tab.

5.1.10 Alexander Hagen Fund Tab

The Alexander Hagen Fund Tab is updated whenever there is new data to be entered for this fund such as a new gift, quarterly changes in market value, transfers from Merchants to the ELCA Fund, and any distributions (grants). The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row "Total #3203 Other Principal" line. Insert the required row(s) into the tab and enter the new data into the appropriate column. The Copy and Paste functions can be utilized where appropriate. Ensure that the totals for all columns are updated. The "as of" date in Row 3 is automatically obtained from the Grace Fund Tab. The summary data for this fund is automatically entered into the Summary Tab.

5.1.11 Grace Fund Tab

The Grace Fund is the largest of the funds and is used to contain all undesignated gifts. This tab is updated whenever there is new data to be entered for the fund such as a new gift, quarterly changes in market value, transfers from Merchants to the ELCA Fund, and any distributions (grants). The new data is obtained from the current Grace Endowment Fund Worksheet just before the yellow row "Total #3203 Other Principal" line. Insert the required row(s) into the tab and enter the new data into the appropriate column. The Copy and Paste functions can be utilized where appropriate. Ensure that the totals for all columns are updated. The "as of" date in Row 3 must be updated to the current date; this date is automatically used by the other fund tabs and by the Interest & Dividends tab. The summary data for this fund is automatically entered into the Summary Tab.

5.1.12 Summary Tab

The Summary Tab is automatically updated utilizing data previously entered in the tabs described before for the interest and dividends and for each of the funds which comprise the overall Grace Endowment Fund. This is accomplished by using formulas in the Summary Tab cells to access the appropriate data from cells in the other tabs. For example, the portion of the ELCA Fund allocated to the Grace Fund is obtained by the formula "='Grace Fund'!F346." This reference is updated by Excel when new data is added. If a new fund is created, a new row must be added to the Summary Tab. The data is updated automatically by Excel. Ensure that the "Total Endowment Fund" value equals the total found in the Grace Endowment Fund Worksheet tab and the Balance Sheet tab. If the totals are not the same, then re-check the data entered in the other tabs. The Summary Tab also contains a column for "% of Principal." Using formulas, the percentage of the total for each fund is updated automatically. Another column titled "Dividends" calculates the year-to-date dividends for each fund. The cell to the right of "100.00%" contains the year-

to-date dividends received for the ELCA Fund. "Year-to-date" refers to the fourth quarter of the previous year plus the first, second, and third quarters of the current year. Thus, this cell must be updated with a formula to add the dividends obtained quarterly from the ELCA and included in the current worksheet. As an example, the formula could be "=1234.50+1345.60+1375.25" for the fourth quarter plus the first quarter plus the second quarter. Remember to start with a new formula for this cell each year. Excel then calculates the amount of dividends for each fund based on the total dividend amount year-to-date.

5.1.13 All Saints Appeal Tab

The All Saints Appeal Tab is updated once per year even if there is not an appeal for All Saints Day. Gifts from the appeal are entered as "All Saints – gift from ..." along with the date and the amount. A row is added at the end of the list for the subtotal for the year using a formula to obtain the sum for the yearly gifts. The total for all years is automatically updated; verify that the formula is correct. Note that these gift entries have previously been entered into the appropriate fund tab. If no appeal is done for the year, merely add a row containing "Subtotal for 20xx (no appeal)" and enter zero for the total.

5.1.14 Donors Tab

The Donors Tab is updated whenever one or more donors have given a gift to the Endowment Fund. The information is obtained from the most recent Worksheet, just before the yellow line "TOTAL #3203 Other Principal" (at the end of all previous gifts given). This data, including the date and amount, has previously been entered into the appropriate tab (e.g., Grace Fund). The Donors tab is a chronological list of every gift given to the Endowment Fund, regardless of whether the gift was given to a specific designated fund or to the undesignated Grace Fund. Make sure that the new entries are inserted just before the red comment box "Leave these four rows at the bottom." Insert the required number of rows. Also, the name of each donor must be entered in the format "Last name, first name" unless the gift was a one-time gift in memory of someone (in which case the entry would be "In memory of ...") If the gift went to a designated fund then the entry includes the fund in blue font (e.g., 360 Communities). If the donor has given before to a specific cause, the copy and paste functions can be used to ensure all entries for that donor will be identical. This is done so that the Donor Table Tab, described in the next paragraph, can create a cumulative sum for each donor for a specific cause. In the column to the right of the amount, a comment "thank you sent" is entered whenever a thank-you note has been sent to the donor(s); this should be done at the time of the initial gift and at least once per year for ongoing gifts. Once per year, a formula should be entered in adjacent columns providing the sum of all gifts for the year. Once per month, or whenever new data is entered into this tab, the "as of" date must be updated.

5.1.15 Donor Table Tab

The Donor Table Tab is an Excel pivot table which uses data from the Donors Tab. Whenever the Donors Tab is updated, do a right-click anywhere in Column A or Column B (row 5 and below) and then left-click on "Refresh Data." A cumulative sum is then calculated for each donor. As stated in the previous paragraph, it is imperative that all entries for any given donor in the Donors Tab be exactly the same so that the pivot table calculation will correctly perform the sum. Thus, the Donor Table Tab will contain one entry for each donor for a specific cause even though the donor(s) may have contributed multiple times. The cumulative totals appear in Column B. Every row in Column C contains a formula which determines if the donor's cumulative giving has surpassed certain threshold values. When the cumulative value is at or above \$1000, "LEAF" will be displayed in

Column C. If the value is at or above \$5000, "DOVE" will be displayed; for values at or above \$10000, "ROCK" will be displayed. After "Refresh Data" has been performed, verify that the grand totals are the same for the Donor Tab and the Donor Table Tab. Also, update the date at the top of the Donor Table Tab. Whenever a donor has reached the leaf, dove, or rock level, the committee must order the appropriate item for the Endowment Giving Tree in the atrium.

5.1.16 Will Designations Tab

The Will Designations Tab is updated infrequently whenever a member has notified the Grace Endowment Committee that he/she has included Grace in their will and/or estate plan. A new row is added to the tab and the name of the individual(s) is added to Column A. Column B contains either the date of notification or the letters "LOI" which indicates that a Letter of Intent has been given to the church office.

5.2 Endowment Grant Distributions

The Endowment Grant Distributions spreadsheet is updated once per year at the time of the annual meeting in January. If any new organization is presented with a grant, the name of that organization is added to the Recipient column. A column is added for the current year (e.g., Jan '16). This can be done by copying the most recent column (for the previous year) and pasting it into the adjacent column. The grant amount is entered into the corresponding recipient's row for the current year. The Total Distribution amount (sum) for each year is shown in the row following all recipients. The updated spreadsheet is saved in a new file (e.g., Endowment Grant Distributions 01-31-16).

5.3 ELCA Pooled Trust Fund – Fund A mm-dd-yy

The ELCA Pooled Trust Fund – Fund A spreadsheet is the most complex of all the spreadsheets maintained for the Grace Endowment Fund. It is updated at least quarterly when new investment data is received from the ELCA. This spreadsheet consists of three tabs as described in the following paragraphs. Data including changes in market value, dividends, additional investments, and transfers between funds are entered. Any grants given are subtracted from the "LTD Dividends." Percentage values for each fund are calculated. Of course, the Market Value for the date of data entry must be the same as the value provided by the Accountant.

5.3.1 Fund Values Tab

The Fund Values Tab separates the overall Grace Endowment Fund into the various designated funds which are maintained. The "Description" column describes the entry for a particular row such as "Balance," "Add'l Investment," "Unrealized Gain (Loss)," "Transfer," and "Percentage." Excel formulas are utilized in some data cells to perform the necessary calculation. Although this tab is complex, once it is understood it is just a matter of inserting new data into the format as for previous data. Insert additional rows following the most recent Balance and Percentage row. For quarterly changes in market value (Unrealized Gain or Loss), drag the cursor over the cells for the previous data in order to Copy the formulas which calculate the amount of change for each fund. Then, Paste the copied cells into the new row for the new change in market value. In column K, enter the change in market value for the quarter (received from the ELCA). The formulas in each column (for the designated funds) will then automatically calculate the change for each fund. If any additional investments were made, enter that data into a new row and into the appropriate fund(s) column(s). To calculate the updated fund balances, drag the cursor over the cells for the previous balance, perform a Copy, and then Paste the formulas into

the new row to calculate the new balances for each fund. The formulas may have to be edited to form the correct sum for each column. Verify that Column K generates the correct total. Add the quarterly dividend into column K for the LTD Dividends row. This cell contains an ongoing sum of all dividends received; whenever grants are given out, they are subtracted from the dividends since grants are paid out of dividends and not principal. In the Dividends by Fund row, update the formulas so that the percentage of dividends for each fund is calculated. Finally, in column K for the Market Value row, update the formula so the market value (sum of the balance plus LTD dividends) is calculated. The Market Value must equal the totals from the Summary tab, the Grace Endowment Fund Worksheet tab, and the Balance Sheet tab. If the total is incorrect, then recheck all data entered.

5.3.2 Book Value Tab

The Book Value Tab is an ongoing compilation of the money given to the Grace Endowment Fund and invested into the ELCA Pooled Trust Fund. Whenever a new investment is made, a new row is inserted into the tab and the date and amount are entered into the appropriate columns. The "Subtotal Investments" is automatically updated since the formula is updated when a new row is added. Then, new rows are inserted in the Reinvested Dividends section of the tab; the date and amount of the quarterly dividend are entered along with any grant money paid out (entered as a negative number). The "Subtotal Dividends" is also automatically updated. Enter the "Market Value as of:" along with the date. Then enter "Number of shares held" and "Market price per share." Also, update the formula at the bottom in Column C. The "Unrealized Gain (Loss)" is automatically calculated along with the percentage gain from the "Total Book Value" as compared with the current market value.

5.3.3 2016 (Year) Tab

The 2016 (Year) Tab contains a summary of monthly additions, dividends, unrealized gains/losses, (quarterly changes in market value), and distributions. For each new year, create a tab for the year by copying and pasting the previous year and then delete the old data. In the "Beginning Balance" row, under "January," enter the ending balance for the previous year. Throughout the year, enter new data for each month as it is reported by the Accountant. Formulas in the spreadsheet will calculate an ongoing sum for the year. Ensure that the total matches the totals from the Fund Values and Book Value tabs. Also, remember to update "20xx Activity" in Row 3.

5.4 Miscellaneous

The "Annual Report Calculator for 20xx Meeting" is an Excel spreadsheet which can be used to generate endowment fund data for the annual meeting held in January. In Row 3, Column E, the endowment assets at the end of the previous year are entered (e.g., when preparing for the 2017 meeting, the assets as of December 31, 2015 are entered). The "Gifts given to Endowment in 20xx:" are entered (e.g., in 2016) in Row 5, Column E. Then, under "Less grants paid in 20xx:," each grant is entered in succeeding rows. Each row contains the organization and the amount entered in a negative number (remember that the grants are given from the dividends accrued for the year: fourth quarter of the previous year through third quarter). The formula for "Total Grants:" is updated to provide the sum of all grants awarded for that year. The formula for the "Total:" is updated to calculate the difference between the gifts given and the grants awarded. In Column E of the row containing "12/31/xx Endowment assets:," the end-of-year assets are entered. Finally, the "Int, div, and chg in mkt value for 20xx (Eyy-Ezz)" is calculated by updating the formula to obtain the difference between the asset value at the end of the year (Ezz) minus the total (gifts given minus grants awarded (Eyy)). This value can be negative if there was a downward change of market value per share.

The "INVESTMENT FOR ELCA FUND A FOR 20xx" is a Word document that can be used to present a tabulation of the various gifts given to the Endowment Fund during the year, the grants awarded at the annual meeting, and the investments made to the ELCA Fund.

Other spreadsheets and files may be developed as necessary to assist the Financial Secretary in maintaining a complete and accurate representation of the assets held in the various funds which comprise the overall ELCA Fund and of all disbursements given out from the accrued dividends.

This document shall be reviewed periodically and updated as necessary. Whenever the document is updated, change the version number in the footer and the date on the title page. Also, save the updated document and title page in new files such as "Financial Secretary Guide Vx" where x is the new version number. The files for this document, as well as all spreadsheet files and other files, should always be stored externally such as on a flash drive in addition to storing the files on the Financial Secretary's computer. All files shall be kept up to date and available for review by Grace Endowment Committee members and for any audit as required.