



# Messiah Lutheran Church

## Evangelical Lutheran Church in America

### **Fund Handling Policy & Index**

#### **Funds Without Donor Restrictions: Annual Fund**

The majority of financial contributions to Messiah Lutheran Church, including regular pledged and unpledged offerings, endowment revenue and holiday offerings are placed in Messiah's Annual Fund. Every year, the Budget & Finance Committee is tasked with developing a budget for the Annual Fund, which is then presented by the Congregation Council for adoption at our Annual Meeting of the Congregation. Staff members, officers, committee chairs and organization leaders responsible for individual budget lines are free to spend budget allocations in line with the mission of Messiah Lutheran Church with oversight from the Budget & Finance Committee and Congregation Council. Budget allocations from unrestricted funds ARE NOT carried over from year to year. Use of unrestricted funds outside of budget allocations requires either a vote of the Congregation Council (if less than 10% of total budgeted expenditures) or a vote at a Special Meeting of the Congregation (if more than 10% of total budgeted expenditures). If, at the end of the budget year there is found to be a large surplus in unrestricted funds, by vote of the Congregation Council with the advice of the Budget & Finance Committee, excess funds shall be transferred to Dr. Robert Doremus Emergency Fund until it is able to provide for three months of regular operating expenses.

#### **Funds Without Donor Restrictions: Board Designated Funds**

In line with new Generally Accepted Accounting Principles (as of 2016), a two-thirds supermajority of the Congregation Council may vote to hold some unrestricted funds separately from the Annual Fund for a specific purpose (with advice of the Budget & Finance Committee). As these funds were given without donor restrictions, a two-thirds vote of the Congregation Council (with advice of the Budget & Finance Committee) may also move these funds back into the regular Annual Fund. The best example of a Board Designated Fund is the Dr. Robert Doremus Emergency Fund, but other Board Designated Funds may be created and dissolved by a two-thirds supermajority vote of the Congregation Council (with advice of the Budget & Finance Committee). When created, a board designated fund must have a stated purpose and party responsible for its use explicitly listed in the index below. Board designated funds ARE carried over from year to year.

#### **Funds With Donor Restrictions: Restricted Funds**

Financial contributions to Messiah Lutheran Church given with a particular purpose or towards a specific campaign constitute **Donor Restricted Funds**. When a project is completed or a fund is no longer needed, advice by the donor or her/his/their descendants for use of those funds is ascertained and donor restricted funds either revert to unrestricted funds or are returned to the donor by vote of the Congregation Council. When donor restricted monies are received for which a fund is not currently created, a new fund must be created by vote of the Congregation Council with advice of the Budget & Finance

**Adopted by the Congregation Council on Monday, March 20th, 2017.**

**Amended by the Congregation Council on Monday, June 19th, 2017; Monday, September 18th, 2017; Monday, November 19th, 2018 Monday, March 18th, 2019 and Wednesday, April 29th, 2020.**

Committee. When created, a donor restricted fund must have a stated purpose and party responsible for its use explicitly listed in the index below. Donor restricted fund ARE carried over from year to year.

### **Funds With Donor Restrictions: Endowment Funds**

According to new Generally Accepted Accounting Principles (as of 2016), funds contributed to the endowment are technically the same category as other Donor Restricted Funds but treated differently under Messiah Lutheran Church policy. Financial contributions towards Messiah Lutheran Church may be given for perpetual investment in the principal of the Messiah Lutheran Church Endowment Fund (also called a corpus). Revenue generated by Endowment Fund is in turn regularly distributed to supplement unrestricted offerings to our Annual Fund. Endowment Fund distributions are calculated by our two fund managers, Vanguard and the ELCA Foundation, in line with current best practices for preservation of the endowment's corpus. Endowment Funds are held inviolate and in perpetuity unless Messiah Lutheran Church is dissolved through the procedures outlined in its *Constitution* or a two-thirds supermajority vote of a Meeting of the Congregation is taken. Endowment funds are collected and held in Messiah's regular checking account throughout the fiscal year. At the end of each fiscal year, the Treasurer(s) transfer the endowment funds to the Vanguard Endowment if under \$2,000 and to the ELCA Foundation Endowment if over \$2,000.

### **Board Designated Fund Index**

Listing of a responsible party for each fund in no way should be deemed to overrule the oversight and fiduciary responsibilities of the Budget & Finance Committee and Congregation Council.

1. **Dr. Robert Doremus Emergency Fund:** Used to pay for emergency one-time expenses and budgeted expenses of the annual fund in case of a large deficit. The party responsible for use of this fund is the **Congregation Council**.

### **Donor Restricted Fund Index**

Listing of a responsible party for each fund in no way should be deemed to overrule the oversight and fiduciary responsibilities of the Budget & Finance Committee and Congregation Council.

1. **Adult Education Fund:** Used to supplement budgeted spending on guest speakers and materials for our adult education ministry. The party responsible for use of this fund is the **Adult Education Committee**.
2. **Bible Fund:** Created in September 2017 by vote of the Congregation Council, this fund is used to provide study Bibles for both youth (especially our confirmation class students) and adults. The party responsible for use of this fund is the **Pastor**.
3. **Campership Fund:** Created in June of 2017 by vote of the Congregation Council, this fund is used to pay for children, youth and families participation in various outdoor

ministry opportunities. The party responsible for use of this fund is the **Camp Calumet Committee**.

4. **Capital Improvement Fund:** Created in November 2018 by vote of the Congregation Council, this fund is used to finance the development and execution of all phases of the Messiah in Your Lifetime Capital Campaign. The party responsible for use of this fund is the **Congregation Council**.
5. **Choir Fund:** Used to supplement budgeted spending on music and others resources needed by our music ministries. The party responsible for use of this fund is the **Worship & Music Committee**.
6. **Creation Care Fund:** Created in March of 2019 by vote of the Congregation Council, this fund is used to support the greening of Messiah Lutheran Church through worship, education, property improvement and justice efforts. The party responsible for use of this fund is the **Creation Care Committee**.
7. **Food Pantry Fund:** Used for purchases of food and other programming needs of the Bread of Life Food Pantry. The party responsible for use of this fund is the **Bread of Life Community Center Committee**.
8. **Internship Fund:** Used to pay for leadership development opportunities for Messiah's youth and young adults, particularly through participation through the SICM Summer Internship program. The party responsible for use of this fund is the **Congregation Council**.
9. **Memorial Fund:** Used for the purchase of permanent worship appointments and other permanent objects needed to carry out the ministries of Messiah Lutheran Church. Contributions given in memory of a loved one are placed here unless otherwise specified by the contributor or the deceased's next of kin. The party responsible for use of this fund is the **Congregation Council**.
10. **Outreach Fund:** Used to supplement the evangelism activities and other ministries intended to grow the membership of Messiah Lutheran Church. This includes monies collected through Community Family Fun Day. The party responsible for use of this fund is the **Communications Committee**.
11. **Pastor's Discretionary Fund:** Used to assist individuals in acute financial need at the Pastor's discretion. Funds primarily given in lieu of pastoral compensation for weddings, funerals, etc. of members of the congregation. The party responsible for use of this fund is the **Pastor**.
12. **Property Fund:** Used to supplement budgeted spending on property improvements, especially capital improvement campaigns that do not have their own dedicated temporarily restricted funds. Combines monies from the former Brick Fund, Landscaping Fund, etc. The party responsible for use of this fund is the **Property & Grounds Committee**.

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- 13. Special Collection Fund:** Used for the short-term collection of monies for various charities and causes such as ELCA World Hunger, SICM Souper Bowl of Caring, Directory Fund, etc. The party responsible for use of this fund is whatever staff member, officer, committee or organization that initiated the campaign.
- 14. Student Support Fund:** Created in September 2020 by vote of the Congregation Council, this fund is used to support members and friends of Messiah who are pursuing higher education or training programs for national service. The party responsible for use of this fund is the **Care and Concern Committee**.
- 15. Rich Hallett Accessibility Fund:** Used for the long-term goal of making Messiah's facilities fully accessible to differently abled persons. The responsible party for use of this fund is the **Congregation Council**.
- 16. Sunday School Fund:** Used to pay for special projects, events and gifts of our Children's Sunday School ministry. The party responsible for use of this fund is the **Children's Sunday School Committee**.
- 17. Youth and Family Fund:** Used to pay for programming of Messiah's Luther League for middle and high school youth and their families. Funds are primarily collected through the bottle and can redemption program. The party responsible for use of this fund is the **Youth Committee**.