

St. John Lutheran Church Endowment Policy (Proposed)

Policy Overview:

This policy governs the management, use, and oversight of the church's endowment funds to ensure their responsible stewardship in alignment with the church's mission and financial sustainability. Each fund operates under specific guidelines tailored to its purpose, as outlined below.

Edward Jones Cemetery Endowment

Total Value: \$905,440.49

Established: 1998 (Funds placed with Edward Jones in 2011)

Guidelines:

1. **Account Principal:**
 - The account principal is defined as the total balance of the endowment as of January 31, 2025.
 - Starting December 31, 2025, the account principal will be redefined annually on December 31st as the total balance on that date.
2. **Principal Restrictions:**
 - The principal shall not be accessed or used except in extenuating circumstances. (Refer to the definition of extenuating circumstances.)
3. **Use of Dividends:**
 - Dividends from the endowment will be deposited into a separate Edward Jones Money Market Account.
 - The Money Market account will be used exclusively for cemetery maintenance and upkeep.
4. **Account Ceiling:**
 - A maximum balance of \$1,000,000 is established for the endowment account.
 - Any balance exceeding \$1,000,000 on December 31st each year will be transferred to either General Fund Checking or Designated Fund Checking earmarked for Capital Improvement, as determined by the council.
5. **Ceiling Review:**
 - The account ceiling will be reviewed every three years during the annual meeting.

- Inflationary adjustments may be made to ensure the ceiling supports cemetery maintenance without requiring the use of principal funds

Edward Jones General Endowment 1

Total Value: \$176,568.28

Established: 2015

Guidelines:

1. Account Principal:
 - The account principal is defined as the total balance of the endowment as of January 31, 2025.
 - Starting December 31, 2025, the account principal will be redefined annually on December 31st as the total balance on that date.
2. Principal Restrictions:
 - The principal shall not be accessed or used except in extenuating circumstances. (Refer to the definition of extenuating circumstances.)
3. Use of Dividends:
 - Dividends from the endowment will be automatically re-invested into the Endowment.
4. Annual Withdrawal:
 - Annually, 4% of the principal (as determined on December 31st) will be withdrawn on the first business day of the new year.
 - As determined by council as greatest need, the withdrawn funds will be transferred to either:
 - The General Fund Checking account, or
 - The Designated Fund Checking account, earmarked for Capital Improvement

Edward Jones General Endowment 2:

Total Value: \$112,747.83

Established: 2014

Guidelines:

1. Account Principal:
 - The account principal is defined as the total balance of the endowment as of January 31, 2025.

- Starting December 31, 2025, the account principal will be redefined annually on December 31st as the total balance on that date.
2. **Principal Restrictions:**
 - The principal shall not be accessed or used except in extenuating circumstances. (Refer to the definition of extenuating circumstances.)
 3. **Use of Dividends:**
 - Dividends from the endowment will be automatically re-invested into the Endowment.
 4. **Annual Withdrawal:**
 - Annually, 4% of the principal (as determined on December 31) will be withdrawn on the first business day of the new year.
 - As determined by council as greatest need, the withdrawn funds will be transferred to either:
 - The General Fund Checking account, or
 - The Designated Fund Checking account, earmarked for Capital Improvement

Edward Jones Mai General Endowment:

Total Value: \$70,354.96

Established: 2018

Guidelines:

1. **Account Principal:**
 - The account principal is defined as the total balance of the endowment as of January 31, 2025.
 - Starting December 31, 2025, the account principal will be redefined annually on December 31st as the total balance on that date.
2. **Principal Restrictions:**
 - The principal shall not be accessed or used except in extenuating circumstances. (Refer to the definition of extenuating circumstances.)
3. **Use of Dividends:**
 - Dividends from the endowment will be automatically re-invested into the Endowment
4. **Annual Withdrawal:**
 - Annually, 4% of the principal (as determined on December 31st) will be withdrawn on the first business day of the new year.

- As determined by council as greatest need, the withdrawn funds will be transferred to either:
 - The General Fund Checking account, or
 - The Designated Fund Checking account, earmarked for Capital Improvement

Russell County Area Community Foundation Endowment:

Total Value: \$48,826.27

Guidelines:

- A 5% return on principal will be automatically paid out annually on March 15th and deposited into the General Fund checking account.
- In accordance with RCACF guidelines, the account balance is not accessible to the church under any circumstances.

Russell County Area Community Foundation Restricted Endowment:

Total Value: \$238,798.28

Guidelines:

- A 5% return on principal will be automatically paid out annually on March 15th and deposited into the General Fund checking account.
- In accordance with RCACF guidelines, the account balance is not accessible to the church under any circumstances.

Extenuating Circumstances:

The principal balance of the endowment accounts are intended to remain unutilized under normal conditions. However, in the event that all other accounts are depleted or an exceptional need arises, access to the principal may be authorized. Such access requires approval through a special congregational meeting, with voting conducted in accordance with the church's constitutional requirements.

Review and Amendments:

This policy shall be reviewed annually, and amendments may be made as necessary to respond to changing circumstances and the needs of the church. Recommended changes to this policy will be presented at the Annual Congregational Meeting for congregational approval.