

# LUTHERAN WOMEN'S MISSIONARY LEAGUE MID-SOUTH DISTRICT GUIDELINES FOR ENDOWMENT FUND



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Mission: Assist each woman of The Lutheran Church—Missouri Synod in affirming her relationship with the Triune God so that she is enabled to use her gifts in ministry to the people of the world.

## **LUTHERAN WOMEN'S MISSIONARY LEAGUE MID-SOUTH DISTRICT**

### **I. NAME**

The Lutheran Women's Missionary League-Mid-South District (LWML-MSD) will have an Endowment Fund and be known as the LWML Mid-south District Endowment Fund (herein referred to as Fund). It will be administered by the Endowment Committee (herein referred to as Committee).

### **II. PURPOSE**

The purpose of the Fund is to promote, encourage, receive, and manage special gifts for the benefit of the mission and ministry of the LWML-MSD. The Fund will support a primary focus for mission and ministry in the following two areas as stated in the Bylaws (Article XIII, Section 1&2)

- A. Scholarship Assistance
- B. Leadership Development

Scholarship Assistance – Will provide for but not be limited to scholarships/subsidies in full or in part for LWML MSD members. This monetary assistance will be eligible for use in attending LWML national events and conventions, LWML Mid-South District events, conventions, and retreats or for other events that may be of benefit to service in the LWML.

Leadership Development – Will focus on, but not be limited to, any expenditure or purpose related to leadership development of current LWML MSD leaders offered by national or a district. It may also be used by current LWML Mid-South District leaders or members to attend events, seminars, meetings, on-line courses, and college courses that will enhance their skills and be of benefit to ministry in the LWML.

### **III. GOVERNANCE**

- A. The Committee will oversee the operations of the Fund and be comprised of at least three or more members. The four (4) mandated members will be a Chairman appointed by the LWML-MSD President, the elected Financial Secretary, the elected First Vice-President, and the elected Treasurer of LWML-MSD.
- B. The Committee will manage the Fund.
- C. The Chairman will be the primary promoter of the Fund. The fund will be promoted through the following avenues:
  - 1. Develop printed and electronic materials to put in newsletters, emails, and website as well as distribute to Zone Presidents and all district members about the fund
  - 2. Have a booth at the District Convention and District Retreat about the fund
  - 3. Present at District Conventions and Board meetings how the fund has been used to achieve our mission
  - 4. Work with the LCMS Gift Planning Counselor to assist our MSD member with charitable gift/estate planning

5. Coordinate and oversee regular funding campaigns to create awareness and support for the fund
- D. The Chairman will preside at all meetings of the Committee.
- E. Other ad-hoc or ex-officio members may be invited to serve by the Chairman of the Fund with approval of the LWML-MSD President.
- F. The Chairman will be the responsible party for maintaining complete and accurate minutes of all meetings of the Committee. A copy of the minutes will be provided to each Committee member and the LWML-MSD President.
- G. Each mandated member will keep a complete set of minutes to be delivered to her successor.

#### IV. DUTIES

##### A. General

1. The Committee will convene at least three (3) times annually or more as deemed necessary for the best interests of the Fund.
2. The Committee will establish written rules for the conduct of its administrative operations.
3. The Committee may recommend standards and goals, within the stated purposes of the Fund, to guide in the investment and spending of the monetary assets. Recommendations will be presented to the LWML-MSD Board of Directors for approval.
4. The Committee shall oversee the maintenance of complete and accurate financial records and transaction books to account for the activities of the Fund.

With respect to individual position duties they will include:

##### B. Chairman

1. Provide all new members of the Committee a copy of the "Guidelines for the LWML Mid-South District Endowment Fund" and assist in their understanding of the function and purposes of the Fund.
2. Inform LWML-MSD members at least bi-annually of the purpose of the Fund and periodically arrange opportunities for members to meet with the LWML Gift Planning Counselor for individual guidance.
3. Serve as the primary communication liaison with external parties employed for legal, investment, accounting and reporting, and other advisory needs.

##### C. First Vice-President

1. Will attend all meetings of the Endowment Fund Committee as available.
2. Offer guidance and advice as appropriate regarding any business of the committee.
3. In the event the Chairman is not able to fulfill her duties, the 1<sup>st</sup> Vice President will fill in until a new Chairman can be appointed.

##### D. Financial Secretary

1. Receive, deposit, and record all special gifts on behalf of the Fund.
2. Assist with identification of the type of gift being received in accordance with accounting guidelines.
3. Provide information for all gifts received and the original remitting document to the Chairman for acknowledgment and archival purposes.
4. Provide information for all gifts received to the Treasurer for separate transfer to investment accounts and for recording the proper type and classification of the gift to the financial records.

5. Acknowledge all gifts received into the Fund with appropriate letters of gratitude, being respectful of all Internal Revenue Service regulations, and including whenever feasible a value ascribed to each gift. All directives of the donor should be honored.

E. Treasurer

1. Receive information for all gifts to the Fund from the Financial Secretary and record to the financial records of LWML-MSD.
2. Maintain accounts with financial institutions as recommended by the Committee and authorized by resolution of the LWML-MSD Board of Directors.
3. Prepare checks and other documents for transferring assets of the Fund.
4. Disburse monies from the Fund upon recommendation of the Committee and approval of the Board of Directors in accordance with the stated mission and ministry purposes of the Fund.
5. Receive investment statements on behalf of the Fund from all external parties and record investment earnings and activity.
6. Send a copy of the investment statement to the Chairman when received.
7. Maintain a permanent log of all donor gifts received and the original remitting document so that knowledge of donor intent and restrictions, legal fiduciary responsibilities, and archival records retention purposes can be satisfied.

**V. FISCAL YEAR**

For tax, accounting, distribution, or other purposes, the fiscal year of the Fund will be the same as the fiscal year of the LWML-MSD.

**VI. ACCOUNTABILITY AND REPORTING**

A. Accountability

For accounting and reporting purposes all gifts to the Fund are classified into three (3) net asset classes according to the existence or absence of donor-imposed restrictions.

1. Unrestricted Net Assets:
  - a. Unrestricted/Undesignated – Gifts received are general in nature and not subject to donor-imposed stipulations. The LWML-MSD Board of Directors may designate portions of its unrestricted net assets as board designated for various purposes.
  - b. Unrestricted/Designated – The LWML-MSD Board of Directors elected to incorporate these pre-determined board designations within the purpose of this Fund as stated in Section II. These designations support the ministry and mission of LWML-MSD with respect to Scholarship Assistance and Leadership Development.
2. Temporarily Restricted Net Assets – Net assets within this category are subject to donor-imposed stipulations that will be met either by actions of LWML-MSD or the passage of time.
3. Permanently Restricted Net Assets – Net assets of this classification are subject to donor-imposed stipulations in that they must be permanently maintained. Generally, the donors of these assets permit the LWML-MSD to use all or part of the income earned for general or specific purposes.

B. Stipulations and Privileges

In accordance with the cost/benefit considerations of accounting for transactions the LWML-MSD desires to retain the following two privileges with respect to the Fund:

1. A minimum \$5,000 contribution will be required in order to qualify for explicit donor imposed restrictions.
2. The Committee will submit a recommendation to the LWML-MSD Board of Directors on whether to accept or reject a particular gift not meeting this guideline.

C. Reporting

1. An annual written investment performance report will be submitted to the LWML-MSD Board of Directors at their annual meeting. This will be reviewed by the Chairman for the Committee.
2. An annual written financial statement will be submitted to the LWML-MSD Board of Directors at their annual meeting. This report will be the responsibility of the Treasurer and may be imbedded within the Treasurer's annual report or be a separate financial statement extraction for the Fund.
3. A written financial statement will be presented to the general assembly at the biennial LWML MSD convention. This report will be the responsibility of the Treasurer and may be imbedded within the Treasurer's annual report or be a separate financial statement extraction for the Fund.

## VII. FUND MANAGEMENT AND FIDUCIARY RESPONSIBILITY

- A. No member of the Committee will engage in any self-dealing or transactions with the Fund in which the member of the Committee has a direct or indirect financial interest and will, at all times, refrain from any conduct in which her personal interests would conflict with the Fund.
- B. The Committee will use the services of the LCMS Foundation or its successor as the qualified investment institution(s) to manage the assets of the Fund. If there is no successor to the LCMS Foundation then the committee will recommend another qualified institution to manage the assets of the Fund. Upon approval by the LWML-MSD Board of Directors, the Committee will have the authority to invest the assets of the Fund in accordance with the established investment goals, policies, and portfolio guidelines of the Fund.
- C. The Committee may employ upon approval of the LWML-MSD Executive Committee advisory services as deemed to be in the best interest of the Fund. This may include, but is not limited to attorneys, accountants, investment advisors, brokers, custodial agents, and others as reasonably needed. Advisory services fees and management fees may be paid by the Fund.

## VIII. INVESTMENT AND SPENDING POLICY

A. Statement of Investment Policy

As the LWML, there is respect for the obligation to express the values of our faith in all aspects of our lives, including the ways we seek to invest our monetary resources. The Committee will be prudent in stewardship by ensuring God's will is reflected in the way that the resources entrusted to the LWML-MSD are managed.

B. Investment Goals and Objectives

1. The assets of the Fund may be pooled for investment purposes; however, those assets required by a donor's written instructions to be held in a separate investment instrument(s) will be invested accordingly.

2. Assets will be invested wisely so that the investment returns may be used to maximize the goals and purposes of the Fund.

C. Fund Distributions

1. The net income of the Fund will be used for the purposes identified in Section II as determined by the LWML-MSD. Fund distributions may not be used to support the LWML-MSD general operations budget.
2. The net income of the Fund will be an amount determined by the LWML-MSD Endowment Committee. It will be an amount appropriate for preserving the long-term value of the fund, with growth over time to keep up with inflation. It is recommended, but not required, that the net income of the Fund be the total net income of the fund as determined by the investment performance report and limited to interest and dividends.
3. Distributions from the fund may not be made until and unless the principal balance of the fund reaches \$25,000.
4. The Committee will make recommendations, no less than annually, regarding the amount and use of the net income of the Fund. The LWML-MSD Board of Directors will make the final determination regarding the amount and use of the net income of the Fund.
5. If the Fund balance, including unrestricted, temporarily restricted, and permanently restricted assets, is greater than \$100,000, the Committee may make recommendations regarding the use of Fund principal exceeding \$100,000 for the purposes identified in Section II. The LWML-MSD Executive Committee will make the final determination regarding the use of Fund principal exceeding \$100,000. Distributions of Fund principal will not be used for the general operations budget.
6. For individual donor gifts with restrictions that conflict with the any of the above, the donor restriction will control.
7. Under no circumstances will borrowing be allowed against the LWML-MSD Endowment Fund.

**IX. POWERS**

The provision of these Guidelines will govern the management of the Fund. In the best interest of the Fund, and without limiting the authority otherwise conferred or conflicting with applicable Federal and State fiduciary laws, the following additional authority is granted to the Committee:

- A. To accept and receipt direct gift, testamentary, or other transfer of property to the Fund;
- B. To accept and receipt any gifts with special terms or conditions or containing limitations or directions as to the investment or use of the substance of the gift and the use or accumulation of the income.
- C. To accept and receipt, from any individual, firm, or corporation and not in limitation, direct gifts for the purpose of the Fund, gifts in memory of any deceased person, or in appreciation or recognition of any living person, gifts in the form of a bequest under a Will or Trust Instrument, and gifts or proceeds or portions of proceeds of insurance, annuity, or endowment policies or contracts, at any time;
- D. To accept and receipt any gifts and contributions made with special terms or conditions or containing limitations or directions as to the investment or use of the substance of the gift, or the use or accumulation of the income, provided that such are acceptable to the LWML- MSD Endowment Fund Committee.
- E. To hold property, and to negotiate and execute documents on behalf of the Fund, in the name of the fund or in the name of a nominee(s) without disclosing any fiduciary relationship to anyone;

- F. To allocate between income and corpus (in cases where reasonable doubt of the applicable law exists) in equitable proportions, any money or other property received, and any loss of expenditure;
- G. To vote, or refrain from voting, securities having voting privileges, and to give any type of proxy (with or without voting directions) to vote the same;
- H. To adopt procedures for the review and acceptance or rejection of assets that a donor desires to give.
- I. To protect the Fund and its property against damage, loss or liability by carrying an appropriate level of insurance.
- J. To abandon any property interest deemed worthless or of insignificant value.

## **X. DURATION**

The Fund will continue in existence, unless earlier dissolved, as long as the LWML-MSD or its successor continues to exist. If the LWML-MSD or its successor should cease to exist, then the assets constituting the Fund at the date of closure will become the property of the LWML to be administered subject to the same donor restrictions. If the donor restrictions are no longer practical, the LWML may amend them to the minimum extent necessary in order to use the funds in a manner closest to the donor restrictions as possible.

## **XI. AMENDMENT**

To honor the trust placed in LWML- MSD by individuals that donate gifts and restrict them to this Fund, the terms of the gift will not be changed without the consent of the donor. For gifts that were not restricted to the Fund by the donor, and which LWML-MSD elected to place in the Fund, the Executive Committee will retain the ability to change the terms of the gift or remove it from the Fund without the consent of the donor.