

**NORTHWEST WASHINGTON SYNOD  
POLICIES and PROCEDURES  
FOR  
ENDOWMENT INVESTMENTS**

Approved by Synod Council  
March 18, 2023

**I. PURPOSE AND EFFECT OF THE POLICY**

The Northwest Washington Synod Council (“the Council”) is responsible for the investment of endowment funds. To assist in the investment of endowment funds, the Council adopts this Endowment Investments Policy (“Policy”). This Policy supersedes investment policy contained in all prior and existing Synod endowment policies and is effective for all Synod endowment funds, regardless of whether any particular endowment fund existed prior to this Policy and whether any particular endowment fund has an endowment committee. Investment policy for Synod endowment funds shall be implemented, and may be delegated, as set forth below, but the Council nonetheless is and shall at all times remain responsible for all Synod endowment fund investment decisions.

**II. INVESTMENTS POLICY**

**1. ENDOWMENT FUND INVESTMENT**

- A. The Synod’s Finance Committee shall have investment authority for endowment funds, with the advice and consent of the Synod Treasurer.
- B. All endowment funds shall be invested and managed following the general standards of conduct required under the standards for prudent investment pursuant to the laws of the State of Washington to direct the decisions of fiduciaries.
- C. The investment objective for all Synod endowment funds shall be Income with Capital Preservation.
- D. In order to continue to enhance the mission and ministry of the Synod and the ELCA, serious consideration shall be given to maintaining a portion, or all, of any endowment fund portfolio in the ELCA Mission Investment Fund, ELCA Endowment Fund Pooled Trust (Commonly referred to as the ELCA Ministry Growth Fund) or other investment programs of the ELCA. Investments may also be made, however, in non-ELCA funds if considered desirable and prudent.
- E. Additional monetary gifts may be received and added to the principal of any endowment fund, provided the donor agrees to accept this Policy, and if acceptance of such gifts would not be detrimental to the mission or proper administration of the endowment fund.
- F. Non-monetary gifts, and donations, bequests, and charitable gifts of non-monetary assets, which require an acceptable administration effort and which produce net income resulting in a reasonable rate of return

in relation to the rates of return available from other investments, may be accepted or retained if they fit within these investment guidelines, if the donor agrees to accept this Policy, and if acceptance of such gifts would not be detrimental to the mission or proper administration of the endowment fund.

- G. The Synod reserves the right to refuse any donation of monetary or non-monetary property, if acceptance of such gift would be detrimental to the mission or proper administration of any endowment fund. Any donor of monetary or non-monetary property shall be advised of the action with respect to any monetary or non-monetary gift, i.e., acceptance, rejection, sale or other disposition.
  - H. Unless otherwise directed by the Synod Council, and subject at all times to the standards of prudent investment, endowment funds may be retained in or invested in, and may be traded, bought and sold in, publicly traded stocks, bonds, money market funds, and other investment forms in domestic financial markets, and/or placed in a brokerage account on a cash or margin basis.
2. Disposition of any non-monetary assets or gifts shall be made in a prudent manner. Proceeds from these transactions will immediately be deposited with the Synod endowment fund from which the assets were or will be maintained.
  3. Reasonable investment costs, including costs of reasonable promotional efforts, may be paid from an endowment fund. These may include compensation for professional advisors, including investment counselors, accountants, attorneys, and other persons for the purpose of providing advice on the investment and administrative management of the fund.
  4. Custodial arrangements for all Synod endowment funds shall be reviewed at least annually by the Finance Committee and shall, if deemed necessary, be changed to ensure that the funds are securely kept in the name of the Synod.
  5. Available earnings will be determined as five percent (5%) of the endowment fund's three-year average annual principal balance based on the end of the Synod's fiscal year. The remainder of income and capital appreciation, after administrative and investment costs, is to be added to the endowment fund's principal in order to preserve the purchasing power of the fund's earnings.
  6. Until an endowment fund accumulates principal in the amount of Twenty-Five Thousand Dollars and No Cents (\$25,000.00), no distribution shall be made from that particular endowment fund. Income during this period shall be reinvested in that fund.

7. In the event that payment of available earnings as determined above would reduce the principal sum below Twenty-Five Thousand Dollars and No Cents (\$25,000.00), the amount available for distribution shall be reduced so that a minimum market value of Twenty-Five Thousand Dollars and No Cents (\$25,000.00) is maintained at all times.
8. Financial records shall be maintained by the Synod office (or its designee), and monthly a report of activity shall be sent to the Synod Treasurer. At least quarterly, the report shall also be sent to the Synod Council.
9. Each individual endowment fund, and the investment activities of the endowment funds, shall be included as part of the annual audit of the Synod.

### III. AMENDMENT

This Policy may be amended by the Synod Council.

### IV. FUND DISSOLUTION

It is intended that all endowment funds shall be perpetual. However, it is recognized that the passage of time and changing circumstances may not make it possible to use an endowment fund for purposes for which it was originally intended. Should that situation develop, the Synod Council may authorize other uses of the income and principal consistent with federal and state law.