

NORTHWEST WASHINGTON SYNOD

POLICIES and PROCEDURES

FOR

MISSION IN WASHINGTON ENDOWMENT FUND

Revised by Policy Review February 19, 2025 and approved by Synod Council, March 15, 2025

I. PURPOSE AND EFFECT OF THE POLICY

The Northwest Washington Synod (the "Synod") of the Evangelical Lutheran Church in America ELCA establishes this policy for the Northwest Washington Synod Mission in Washington Endowment Fund (the "Fund") to preserve and invest the proceeds from and assets of the mission ministry, which is an ongoing, established ministry of the Synod. Earnings from this Fund shall be designated to the support of the Northwest Washington Synod Mission in Washington Ministry. This policy replaces the previous endowment fund of this mission ministry.

II. INVESTMENTS POLICY

1. ENDOWMENT FUND INVESTMENT

A. The Synod's Finance Committee shall have investment authority for the Fund, with the advice and consent of the Synod Treasurer.

B. The Fund 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 the Fund shall be Income with Capital Preservation.

D. In order to continue to enhance the mission and ministry of the Synod mission ministry and the ELCA, serious consideration shall be given to maintaining a portion, or all, of the Fund portfolio in the ELCA Mission Investment Fund, ELCA Investment Fund Pooled Trust, 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 the 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 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 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 the 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, the Fund 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. Investment policies stated in this Policy for the Fund shall be considered in any investment decisions made as to those funds if this Fund, or any part of it, or donations to it, become part of another existing Synod endowment fund. However, the policy of the endowment fund of which the funds of or donations to this Fund become a part shall supersede the investment policies of this Policy.
3. 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 Fund.

4. Reasonable investment costs, including costs of reasonable promotional efforts, may be paid from the 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.
5. Custodial arrangements for the Fund shall be reviewed at least annually by the Finance Committee and shall, if deemed necessary, be changed to ensure that the investments of the Fund are securely kept in the name of the Synod.
6. Available earnings will be determined as five percent (5%) of the 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 investment costs, is to be added to the Fund's principal in order to preserve the purchasing power of the Fund's earnings.
7. At such times as the accumulated principal in the Fund is less than Fifty Thousand Dollars and No Cents (\$50,000.00), no distribution shall be made from the Fund. Income during this period shall be reinvested in the Fund.
8. In the event that payment of available earnings as determined above would reduce the principal sum below Fifty Thousand Dollars and No Cents (\$50,000.00), the amount available for distribution shall be reduced so that a minimum market value of Fifty Thousand Dollars and No Cents (\$50,000.00) is maintained at all times.
9. Financial records shall be maintained by the Synod office (or its designee), and a monthly report of activity shall be sent to the Synod Treasurer. At least quarterly, the report shall also be sent to the Synod Council.
10. The Fund, and the investment activities of the Fund, 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 the Fund shall be perpetual. However, it is recognized that the passage of time and changing circumstances may not make it possible to use the 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.

V. THE MISSION IN WASHINGTON ENDOWMENT FUND COMMITTEE

Apart from the Fund Investment and Fund Administration functions delineated above, the management and oversight of the Fund shall be the responsibility of The Ministry in Washington Endowment Fund Committee (the “Committee”).

A. Committee Membership:

1. The Ministry in Washington Endowment Fund Committee shall be appointed by the Synod Council (SC) and shall consist of the members of the SC Executive Committee.
2. Committee members shall not receive any compensation, but may be reimbursed from Fund income or the Synod budget for reasonable expenses incurred.

B. Committee Responsibilities:

1. To promote the Fund by providing information to rostered leaders and congregations of the Synod (promotion costs may be paid from the investment income of the Fund).
2. To distribute income from the Fund on an annual basis.
3. To review these *Policies and Procedures* periodically and recommend any revisions to the Synod Council.